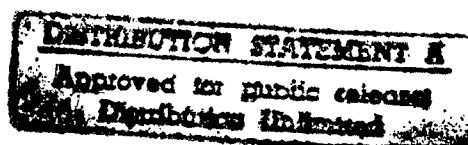




JPRS Report



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Caustic Soda Plant Deal Signed With PRC

92SE0247A Rangoon *WORKING PEOPLE'S DAILY*
in English 23 Apr 92 pp 1, 6, 7

[Text] Yangon, 22 April—A contract was signed between the Myanmar [Burma] Paper and Chemical Industries of the Ministry of Industry 1 and the Yunnan Provincial Chemicals Import and Export Corporation of the People's Republic of China for the procurement of machinery for setting up a caustic soda plant (5,000-ton capacity), at a ceremony held at Ministry of Industry 1 meeting hall at 2.30 pm today.

Present on the occasion were Minister for Industry I Gen Sein Aung, the directors-general, managing directors and directors, Ambassador of the People's Republic of China to the Union of Myanmar Mr Liang Feng and counsellors and officials concerned of Yunnan Province and the Yunnan Provincial Chemicals Import and Export Corporation, among others.

The contract was signed by Managing Director of the Myanmar Paper and Chemical Industries U Tin Aung and General Manager of the Yunnan Provincial Chemicals Import and Export Corporation Mr Wang An Yi in the presence of the Minister for Industry 1.

A memorandum of understanding for setting up a caustic soda plant project, with a capacity to produce 5,000 tons of caustic soda annually, was signed between Yunnan Provincial Chemicals Import and Export Corporation and the Myanmar Paper and Chemical Industries on 5-12-89. The approval of the governments of the two countries was then obtained leading to the signing of the current contract.

The Caustic Soda Plant Project will cost 6.6 million US dollars and construction will be completed within two years. On completion, the project, besides annual production of 5,000 tons of caustic soda, will also produce by-products such as 1,000 tons of chlorine, 5,000 tons of hydrochloric acid, 2,000 tons of bleaching powder and 33,000 tons of bleaching solution, it is learnt.

The caustic soda produced from the plant will be sufficient to supply for the manufacture of paper and soap, production of textile, foodstuff and personal goods. The by-products will be used in foodstuff industries, purifying water and bleaching, it is learnt.—MNA

ABSDF Frees Spy Suspects

92SE0283A Bangkok *THE NATION* in English
1 Jun 92 p A-2

[Article by Yindee Lertcharoenchok]

[Text] The All Burma Students' Democratic Front (ABSDF) said it has released 65 alleged government spies from "imprisonment" but is still keeping them, handcuffed or chained at the ankles, within its camp compound in Burma's northern Kachin State.

The decision followed strong international criticism of the ABSDF North Command's abrupt execution in mid-February of 15 accused spies, without resort to international legal processes and without official endorsement of the front's central committee in southern Karen State.

The anti-Rangoon Front also decided that if no international organizations or "democratic governments" decide within a year to accept the remaining accused outside Burma, it will release them all to "the guarantee of their parents or relatives."

Last August the North Command uncovered what it said was an intelligence network and arrested the first accused spy which later led to the detention of 80 people. The Front said it had conducted thorough investigations, interrogations and trials with hard evidence which proved their "crimes" but admitted torture had been applied to extract some confessions.

In an interview yesterday, ABSDF Chairman Dr Naing Aung, who has just returned from a month-long visit to Kachin State, said the Front had decided not to pass "death penalty" on the remaining spies.

However, he said the Front maintained the charges still stand and he, after meeting and interrogating all 65, had "no doubt" that they are spies as accused.

"I have no doubt, no more dispute, about the righteousness of the decision to execute 15. I met all of them, read their testimonies and made an investigation myself," he said.

Naing Aung said that of the 65, seven, including Naing Aung Htwe Kyi and Nyi Nyi who were interviewed in February by *THE NATION*, had been accepted back into the Front as "ordinary members."

He accepted that some parents of the accused, including those of Naing Aung Htwe Kyi, had visited their children. Some wanted to return home but they were afraid to do so for fear of government reprisals.

The decision to allow the 58 alleged "freedom of movement" within the camp was in response to harsh international opposition to the executions and a concerted outcry for the release of the remaining 65, Naing Aung said. It was also in response to possibility of their escape at the height of the Burmese Army's offensive against the camp which is on the Sino-Burmese border.

"The 58 spies are free to walk in the camp freely," but they remain either handcuffed or chained at the ankles, he said.

The student leader claimed that the physical and emotional condition of all the accused was "very good" and that "they are eating good food ... and have medical check-ups twice a month."

Naing Aung said the Front's repeated calls to the international community to intervene and host the remaining accused in a foreign country had been unsuccessful.

He repeated the Front's appeal to international organizations and the world community to "accept these spies until Burma has democratic changes."

If there was no country outside Burma which would accept them, they would be released after one year's detainment to the guarantee of their parents or relatives, the Front said in a press release.

Sihanouk Gives 9 Jul Arbor Day Speech

*BK1007104192 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 1300 GMT
9 Jul 92*

[Speech by Prince Norodom Sihanouk made during Arbor Day and prayer ceremony on 9 July at Attaroes Hill, Sa Dek Commune, Ponhea Loe District, Kandal Province—recorded]

[Text] My most humble respects to the two lordships, my most beloved and worshipped supreme patriarchs; my most humble respects to all venerable monks present here in my honor; my respects to His Excellency Chairman Heng Samrin and Madame; my respects to H.E. Chairman Hun Sen and Madame; and my respects to all excellencies, madames, ladies, and gentlemen and to all beloved children, whom I and my wife have missed so much.

First of all, I would like to express my greatest satisfaction and boundless joy because today, for some hours, I have the excellent opportunity of being in close association with all of you, my dear children, who have turned up in massive numbers, creating a truly fraternal Cambodian atmosphere here. This is especially so because of the participation of the children from the State of Cambodia [SOC] and the Cambodian People's Party [CPP], and H.E. Ieng Muli, representative of the Khmer People's National Liberation Front—a symbol of our nation's solidarity and reconciliation. I also thank all beloved and most missed aunts, uncles, brothers, sisters, children, and grandchildren who have come from Phnom Penh, from Kompong Speu Province, from Kompong Chhnang Province, and from this Kandal Province, especially this district of Ponhea Loe, to welcome me and render me great honor. I and my wife would like to thank all the excellencies, ladies, gentlemen, and all my children from all the cities and provinces who are present here. I also most warmly admire all of you for your patriotism and enthusiasm in rehabilitating and rebuilding the nation. Now that together we have brought back peace to the country, we are not going to waste any more time before tackling national defense and reconstruction matters. Therefore, I would like to express my satisfaction to all of you, venerable, excellencies, ladies, and children. Thank you all of you very much. [applause]

Now allow me to pay my respects to their excellencies the ambassadors, the charges d'affaires, the representatives of the United Nations and UNTAC—the UN Transitional Authority—and the humanitarian and other international organizations—our friends—also present here on this most auspicious day. I would like to thank all of them from the bottom of my heart. [applause]

Today we are performing a traditional ceremony from the time of Sangkum Reas Niyum, a ceremony that was suspended for two decades because of the wars following the coup d'etat of Mr. Lon Nol and because of a calamitous period. It is fortunate for all of us that the SOC and CPP, which came to power in 1979, decided that all the good traditions, including our religion, should be revived. And since the day I returned to the homeland to live forever

with all my grandmothers, grandfathers, uncles, aunts, brothers, sisters, children, grandchildren, and great-grandchildren under the shade of our Buddhism, they have pledged to undertake all missions undertaken by Sangkum Reas Niyum for the happiness, progress, and development of our nation. For this reason, the Arbor Day ceremony that I instituted through a royal decree in the 1950's was revived in a resolution of the SOC and CPP.

Now, my children, you can see the pictures and documents compiled at the instruction of the SOC Government headed by H.E. Hun Sen and the CPP of Cambodia with H.E. Chairman Chea Sim and H.E. Chairman Heng Samrin as the great leaders of various competent ministries, including that of H.E. the agriculture minister, through intensive and thorough research that has produced statistics, documents, articles, and pictures that are exhibited here for all of you to see and to be reminded of the achievements Sangkum Reas Niyum, that I headed, made in the past. The CPP is now set to duplicate all these achievements. I would like to express my deepest thanks and warmest admiration for this. This is because the planting of trees is as important as the water conservancy policy, education, public health, the construction of communications lines, such as roads and bridges, and economic development in general, including industry.

Agriculture is most important to the livelihood of our people as more than 80 percent of the Cambodian population is made up peasants. Therefore, we will prosper beyond all our dreams if our agriculture is developed. In the Angkorian period, we prospered very much because our ancestors paid prime attention to it. We can point to the example of the Oriental Baray [an ancient man-made lake in Siem Reap] and of roads and health facilities. If the people of the Angkorian time had not been healthy, there would not have been enough manpower to build Angkor. Where does rice come from? From the ricefield, of course; but it depends on water, on the water conservancy policy. The uses of agriculture and tree planting are multiple.

Today we are meeting here. In this place many of you, my children, have tree shades while others of you standing in the sun have nice umbrellas to protect you. When I was on the hill I overheard some of the children from the SOC saying that the prince father was full of praise for the children of Kompong Som City for their beauty and their colorful umbrellas. It seems that the children of Kandal, Kompong Speu, and Kompong Chhnang are not letting themselves be bettered by those of Sihanoukville. Your clothes are also nice. I also admire all of you. Please do not feel jealous. I give all of you the number one spot. You are all beauty queens. [applause]

I would like to give a short discourse now. What use is tree planting? I am not going to elaborate because the Ministry of Agriculture has already explained it, and in his very attractive, meaningful speech, H.E. the agriculture minister has already explained so well the usefulness of tree planting both for the livelihood of the people and for agriculture and our nation. Therefore, I would like to say just a few words, otherwise people will accuse Sihanouk of repeating himself. Since H.E. the minister has already said

it, I need not go into detail again. I only want to tell you that today, as in the previous years since 1989—before my return to the homeland—when the children from the SOC started imitating Sangkum Reas Niyum in observing Arbor Day we are continuing this festival every year and, according to the tradition of Sangkum Reas Niyum, we are going to rotate its site from province to province so that our people will learn to love their forests as trees are useful in so many ways to them. When you plant trees you can use them. There is no ban on the use of trees, but we must plant as many trees as possible to avoid scarcity. For this reason, all of us, including me your prince father, must concentrate all our attention on planting trees.

Some children, afraid we might be too fatigued, have made all possible preparations for me and my wife at this place. And you can see the photos put on display by the SOC and CPP showing me planting trees in the past, when my hair was still black and my looks still young. We are going to perform this task endlessly. Our venerable monks have been extremely kind to our nation. They have contributed greatly to preserving the nation. They have helped bring about a tremendous development in education, public health, as well as in the construction of roads and bridges. The venerable monks have been helping us since the time of Sangkum Reas Niyum.

Moreover, I would like to recall that in the reign of His Majesty King Ang Duong, our country experienced development in cultural and other fields and the King was a great poet and a wonderful supporter of Buddhism. We had tremendous development during his reign. At this place, we would like thus to sing the great merits of His Majesty our former king.

I also take this opportunity to express boundless thanks to H.E. Chairman Chea Sim, H.E. Chairman Heng Samrin, H.E. Chairman Hun Sen and their wives, and the SOC and CPP for organizing a glorious thank-offering ceremony for me on my safe return from abroad and praying to the soul of the former king to help protect all of us Cambodians so that we will only experience happiness and prosperity, as in the past. [applause] When we have peace, we can do anything that brings happiness and merit to our nation, anything that is needed for national reconciliation and national reunification and for the consolidation of peace. For this reason, many friendly countries have come in to help us restore full peace. UNTAC has come especially to help keep peace and to help bring restoration and development to our nation, devastated by two decades of war.

For this reason, our nation must have unity. Today, Arbor Day, is a festive day in our country and it is for the happiness of our nation. And the foundation of happiness is peace. The foundation of happiness of our nation is development and prosperity. It is for this reason, I say, that we must not separate our efforts. We must synchronize them. It is no use if we tackle sectors one and three and leave out sectors two and four. We must do all of them, as have just said.

I also see our Islamic brothers. My respects to all of you for joining your Buddhist brethren. This shows that all our

religions are very well united. I beg all political parties to do as much. We now have a fairly strong unity. There is only a minute shortage of it. [giggle] Let us not elaborate on that since we are here on an auspicious day. Let us talk about happiness and positive things only. I only wish to implore those children who have not yet come to the fold to please do so and, in harmony with the others, to implement together the 23 October 1991 Paris accord, which is the best basis for our country to quickly enjoy peace and also to achieve happiness and prosperity.

At the Tokyo international conference on 21-22 June attended by your prince father, H.E. Chairman Hun Sen, several SOC ministers, H.E. Son Sann, and their excellencies and the prince from other factions, the international community—primarily Japan—was extremely generous. According to the UN proposal, other countries are asked to help rapidly develop Cambodia in all fields. The price tag for this effort is set at \$600 million. But the meeting decided to grant us as much as \$880 million. This shows the generosity of more than 30 countries friendly to us, including Japan. This fund is destined to help us rebuild our nation. We will get help for the repair of damage, the elimination of scarcity, and coping with the problems of our people in all provinces and cities. Therefore, this is the best chance for all of us Cambodians to unite and stop the splits. There are more and more factions that are responding to my plea. There are some, though, that have not agreed with me. I take this opportunity to appeal to them to join the rest in time so that we can rebuild our nation. We are very lucky. In this world there are other countries, other peoples, who are suffering more than us. Now that we have stopped fighting, there are fightings, serious fightings in other places. In some places many have been killed and in some others the peoples are starving and the children are dying from hunger because there is nothing to eat except grass. People are forced to eat grass and countless of them have died. When I say our country is lucky, I do not mean we no longer have war and we are happy. We are lucky in that we are getting more aid than other countries even. Other countries whose peoples are now suffering more than we do still do not get as much as we do. Cambodia gets more aid than anyone else. Our luck, however, might go to other countries. For example, now \$880 million is pledged for Cambodia. If we continue to be divided, the donors might lose patience, their generosity might dry up, and we might get less and not more, and most of the pledge might go to other countries which also need aid. For this reason, I appeal again to any factions that have not yet agreed to join the mainstream in interpreting the text of the Paris accord on Cambodia like others to please come over so that we do not lose this opportunity that has been given us.

I would like to end here. Thank you very much. Before ending, allowed me to fulfill two duties: First, my children in this region have requested that their prince father write a note as a keepsake for them. I would like to read this article that I have already signed. Second, H.E. Chairman Heng Samrin, H.E. Chairman Hun Sen, and H.E. Chairman Chea Sim, who is carrying out a mission in the People's Democratic Republic of Korea and the PRC,

have on behalf of the SOC Government and the CPP made a donation to the children and have requested that I announce it to the children as a contribution to national construction in education and religion.

I am going to fulfill this second duty by later reading a note just handed me by H.E. Chairman Heng Samrin. Here is the note I wrote and signed as a keepsake for my children:

I, Prince Father, Grandfather, and Great-grandfather Norodom Sihanouk, and my wife the Princess Mother and Grandmother, are boundlessly delighted and extremely moved to be able once again to visit Kandal Province and especially to preside over the wonderfully significant and grand Arbor Day festival on Attaroës Hill, Ponhea Loe District, Kandal Province in our sacred Angkorian homeland, rendered most beautiful by the luxuriant nature that belongs to all of us. I and my wife, the princess consort, would like to express most profound and sincere thanks to Their Lordships the supreme patriarchs, all venerable monks, H.E. the agriculture minister, who has organized this arbor day in the name of the CPP and the SOC Government, and all ladies, gentlemen officials, personalities, and people of the provinces of Kandal, Kompong Speu, and Kompong Chhnang and the capital city of Phnom Penh for coming en masse and with solemnity to warmly and most cordially welcome me and my wife.

I and my wife would like to admire from the bottom of our hearts the CPP with H.E. Chea Sim as chairman, H.E. Heng Samrin as honorary chairman, and H.E. Hun Sen as vice chairman and head of the SOC Government for the superb idea of preserving and continuing a national obligation that is very valuable and significant—the supreme interests of the national community—the protection of forests and planting of trees for the nation. This glorious achievement constitutes undeniable testimony to and proof of the patriotic ideal embodied by the party and the SOC Government leaderships.

Along with public health and education, afforestation is a matter of national interest that the people throughout the country must never forget throughout their lives.

I and my wife would like to extend our best wishes to all leaderships and all brothers, sisters, children, grandchildren, and great-grandchildren—my compatriots. I wish you success, happiness, and prosperity and may you always enjoy the five blessings of Lord Buddha in your nation-serving mission. [applause]

H.E. Heng Samrin and H.E. Hun Sen, my most esteemed and beloved chairmen, have kindly made the following donation on behalf of the CPP and the SOC Government written in a note that I would like to read as follows:

To His Royal Highness the highly respected Prince Norodom Sihanouk, the CPP and the SOC Government would like to hand over to Your Highness funds to be given to your children to build the following buildings in this locality:

1. Five million riels for the Areikhsat Primary School or the existing Prince Father School; [applause]

2. Two million riels for the Vihear Luong Primary School, a school on the road to Attaroës Hill; [applause]
3. Three million riels for the Tep Pranam High School; [applause]

4. Two million riels for the merit-making hall in Thormatrai Monastery, a monastery on the road to Attaroës Hill; [applause]

5. Two million riels for the merit-making hall in Thormake Monastery. [applause]

I also would like to make my own little, personal donation for the hospital of Ponhea Loe worth U.S.\$500. [applause] This is for the health of the people of Kandal and these are for the development of education and religion. Here are two million riels for the hall of Thormatrai Monastery. [applause] The rest I will give later.

Now it is time for me to plant trees. I would like to end here. I pray to the triple jewels and the soul of our former king to please protect all my children both here and in the rest of Cambodia, to protect the two supreme patriarchs whom we all love and respect so much, to protect all venerable monks, all preceptors, all heads of the local clergy, and all abbots, and to protect Their Excellencies the chairmen and ladies, the leaders of CPP and the SOC Government, H.E. Ieng Muli, and all ambassadors and foreign friends, as well as all my children. May all of you always enjoy the five blessings of Lord Buddha. Thank you very much. [applause]

Sirivuth Discusses Khmer Rouge, UNTAC *92SE0243B Montreal LA PRESSE in French* 25 May 92 p b5

[Excerpts] Phnom Penh—Prince Norodom Sirivuth, half-brother of Prince Norodom Sihanouk, was fuming that day against the electric power outage that was afflicting the headquarters of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia (FUNCINPEC).

Prince Sirivuth, 41, is in charge of political affairs and foreign affairs for FUNCINPEC. He is also the spokesman for Norodom Ranariddh, head of the Sihanouk party and Sihanouk's son. "They cut off our electricity," he says, "and charge us a high price to restore it. There are lots of restaurants and other establishments in Phnom Penh that never lack electricity. I am not accusing anyone, but we are certainly not going to pay!"

Not everything is going well in Cambodia for the factions of the resistance that signed the Paris peace accord and are attempting to set up an effective electoral organization. There is interference and harassment. "The members of FUNCINPEC are constantly being bothered," the prince declares. "I have hired three secretaries in one month. The first two had to resign because their parents were being threatened. The latest one, fortunately, is an orphan and needs the money!"

No, not everyone's safety has yet been achieved in Phnom Penh. "What we want," Prince Sirivuth says, "is for the Provisional UN Authority in Cambodia (UNTAC) to do

whatever is necessary as soon as possible to enable the opposition parties to have the right to organize and to have genuinely free elections."

In the meantime, the veteran member of the resistance—who has studied and lived in Paris—does not wish to appear pessimistic. "No one believed there would be a peace accord in 1990," he says, "but thanks to Sihanouk one was achieved. People said that the prince was fickle and indecisive, but today he has returned—head held high—to his country. This gives me confidence that there will be genuine peace. For us, the United Nations presence in Cambodia was an almost impossible dream not very long ago. Well, I am now at my home in Phnom Penh, and even the Khmer Rouge is also present in the city. It is unbelievable! All these acts of intimidation—these human rights problems—should be resolved as soon as possible by UNTAC."

FUNCINPEC strongly hopes that the United Nations—pursuant to the terms of the peace accord—will immediately take control of the five key ministries, that is to say, foreign affairs, finance, information, defense, and—above all—public safety. "So long as public safety is administered by the Interior Ministry," the prince insists, "there will continue to be human rights violations in Cambodia."

"To be sure," he says, "there continue to be skirmishes in Kompong Thom province between the Khmer Rouge and the government. The cease-fire should remain the first priority there. The problem with these skirmishes, however, is not as simple as one might believe from the reports in the Western press which is saying that the Khmer Rouge are the source of the trouble. On the one hand, the Khmer Rouge are not justified in refusing to turn over the territory they occupy at Kompong Thom. Nevertheless, they are not in the wrong. The Paris accord stipulates—in the section dealing with the withdrawal of the foreign forces from Cambodian territory—that the United Nations must submit a detailed report to the secretary general concerning the positions held by these forces and their plan for withdrawal. To date, nothing of the sort has been done, and I can understand why the Khmer Rouge are demanding guarantees of the withdrawal of the Vietnamese troops from Cambodia before allowing themselves to be disarmed."

Concerning the electoral question, FUNCINPEC—which will in all likelihood be an essential component of the next government—is now declaring that it still has serious reservations about the UNTAC draft of the electoral law. "Who will have the right to vote?" Prince Sirivuth asks. According to the bill that is still under study, all Cambodians 18 years of age and over—in other words, those born in Cambodia more than 18 years ago—are included in the electoral process. I have nothing against the poor Vietnamese civilians who work at our construction sites, but many of them do not even speak our language and were brought here—let us not forget—by an occupying force. We want an election for Cambodians only, not for the occupiers." [passage omitted]

"When in 1989," Prince Sirivuth says, "Sihanouk had the misfortune to say that it would be impossible to get out of our difficulties without the Khmer Rouge, the international press came down hard on us. France was the first to let us know that this could not be done. Today, however, the great powers are no longer shocked by the participation of the Khmer Rouge in the peace process—because this time what you have is a United Nations plan."

"The same thing is true with regard to our alliance with Hun Sen's PPC [expansion unknown]," he continues. "In 1979 Son Sann said, 'Give me a stick to fight the Vietnamese crocodile, and I will not enter the cage of the Khmer Rouge tiger.' No one came to his aid. Today, the Vietnamese are no longer a priority consideration. So why spread any doubts about our sincere desire for reconciliation? We conceived this alliance on the basis of three essential points. The first point was recognition that Prince Norodom Sihanouk is the only head of state. The second point stipulates that we will unite in defense of everything that is in the supreme interest of the nation. We found that the Khmer Rouge were becoming a little too strong. And the final point of the alliance is the perception that after the elections there could be a coalition between the PPC and FUNCINPEC."

In short, it is a circumstantial alliance which—according to Prince Sirivuth—can be dissolved on the basis of the second point, that is to say, failure to respect the nation's higher interests. "There are already many problems in this connection," the prince explains. "When our allies fire on the students who are demonstrating, when they sell the nation's assets in order to enrich themselves, and when they bring Thai businessmen here to do whatever they please, then people rightly wonder about their concept of the nation's higher interests. In that case, you can either ignore the whole situation and the alliance will perish of its own accord because it is too weak, or you can become exasperated and break the alliance. By way of compensation, our alliance with the PPC has brought us important advantages, including relative security."

The question of disarmament is one of the main differences that separate the government from the three factions of the resistance. "If you want peace," Prince Sirivuth declares, "there must be 100 percent disarmament. On that point, even the Khmer Rouge—who have no interest in doing so—have agreed to play the game. My ally is the only one to stubbornly want to disarm 70 percent, as stated in the peace accord. But what do you expect? The Vietnamese boss has not said yes."

In short, the prince explains, "our biggest fear is that the government will attempt to derail the peace process. Some ideas that are not very sincere are already being bandied about. What I am asking of my friends in the other factions is simple. We have played the Americans' game; we have played China's game; we have played the Vietnamese game. This time, for God's sake, can't we play the Cambodian game?"

FUNCINPEC Aide Discusses Development

92SE0243A Montreal LA PRESSE in French
26 May 92 pp 1, 14

[Article by Special Correspondent Gilles Toupin: "A Garden To Replant, A Country To Rebuild"]

[Excerpts] Phnom Penh—[passage omitted] "Life was not difficult for Cambodians," Ing Kieht told us in his office in Bangkok. A former cabinet minister in the Sihanouk administration and the right-hand man of Prince Ranariddh who heads FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], the 60-year-old Ing Kieht knows his Cambodia like the back of his hand. He is one of those who have given the most thought to the reconstruction and the needs of his country. Ing Kieht will be a candidate in the coming Cambodian elections on the ticket of the Sihanouk party, and there is every likelihood that he will become a cabinet minister again.

"When it rains in Cambodia, you find fish everywhere, even in gardens," he says. "People always say that Cambodians do not eat salt-water fish. That is true. Its numerous rivers and its lakes contain more fish than any others in Asia. With the Tonle Sap—that immense lake in the middle of the country—and several well-placed and well-designed dams on the Mekong River, we will be able to create a basin for regional fish breeding that will supply all of Asia. Cambodia is a land blessed by Nature.

"In the East," this expert in road building continues, "we have lands that are incredibly fertile. We are able to grow tea, coffee, and vegetables there. The West is our Far West [preceding two words in English], that is to say, an area that is very thinly populated—with four or five inhabitants per square km—where we will need to make an effort to set up economic poles of development. It is also a region with great potential."

Imagine....

Imagine a country of 182,000 square km that would fit six times into Quebec but whose entire area is habitable. Imagine the advantage of a sparse population—about eight million inhabitants, or 40 to 50 people per square km—which is unusual in Asia. Imagine that in addition to its fertile lands, its forests, and its extensive network of waterways filled with fish, it possesses deposits of bauxite, gold, and precious stones, including the famous sapphires of Pailin near the Thai border. "Perhaps to our misfortune," Ing Kieht adds, "we also have petroleum offshore." [passage omitted]

"Everything is a priority," Ing Kieht says, "and a hierarchy of priorities must therefore be established. We must dare to sit down at a round table and draw up a master plan."

Cambodia is so poor that it cannot hope to perform miracles in the short term. "At the very most," Ing Kieht says, "we hope to integrate ourselves harmoniously into the regional Asian community and regain at least the economic level we had in 1970. We will need international assistance. Cambodia is not a self-sufficient country. We

need expertise and transfers of technology, and above all we need those Cambodians with skills who are currently living abroad. They must return and rebuild our country."

Because of the nature of the country, the preferred economy for Cambodia is above all an agricultural economy. "Rural development will be a priority," says Prince Sirivuth, FUNCINPEC's expert on political affairs and foreign affairs. "Genuine development in Cambodia is not development of the hotels or the big Thai banks. No, our country is 80 percent agricultural. We will also need a genuine water policy that will enable us to achieve a higher standard of living. We must rebuild the roads, infrastructure, and health system, and above all we must again provide ourselves with an educational system. Higher education has virtually ceased to exist in Cambodia. There will be a place for a viable tertiary sector—the cultural tourism in Angkor, for example—but we do not want to make it the number one priority of our national economy. We assign more importance to an economy that will protect Cambodia's environment. We can no longer cut down a tree in Cambodia without planting another!"

A Colossal Task

The task is obviously one of colossal dimensions. Ing Kieht, a civil engineering enthusiast, likes to cite examples. "Speaking only of the road network," he says, "we will have to rebuild 4,000 km of roads and 30 km of bridges. It is a market of great interest from the standpoint of engineering contracts, but to rebuild just for the sake of rebuilding is wrong. Because of our riverine economy, however, the roads customarily ran alongside the rivers. They were built by heaping up the dirt and compacting it into dikes without giving any serious thought to plotting an ideal route. We will have to find new routes, take into account the new centers of economic development and poles of economic attraction, and consider opening regions that will make it possible to have a better balanced distribution of the population."

In an independent, sovereign, and peaceful Cambodia, Ing Kieht will demand that the forms of international assistance emphasize first and foremost the training of professionals and the Cambodian labor force. "We will have all business contracts include clauses that mandate the training of our citizens," he says. "The job training [preceding two words in English] formula offers us the best form of international assistance, because it helps to give Cambodians independence of action." [passage omitted]

"We shall live in a free-enterprise economy that will advocate free trade," Prince Sirivuth says. "We cannot afford to nationalize anything or frighten foreign businessmen. We are going to present a balanced program of investment and put an end to the law of the jungle in connection with real estate speculation." [passage omitted]

POLITICAL

Minister Orders End to 'Brutal' Campaign Conduct

Deaths Growing

92SE0264A Jakarta PELITA in Indonesian 26 May 92
pp 1, 11

[Text] Jakarta (PELITA)—As chairman of the General Elections Board, Minister of Home Affairs Rudini says the election campaign is becoming brutal and violations are increasing. The number of deaths is growing, and the attitudes of campaign workers often cause unrest and fear among the people.

"As of 20 May, 11 people had died throughout the country, and 25 people had been injured," Rudini said in his comments on the negative impact of the campaign. The deaths that occurred Sunday [24 May] in Jakarta bring the total number of deaths to 15.

Rudini said this at his office Monday morning [25 May] following a meeting with leaders of the three election participant organizations (OPP's) and election security elements to evaluate the election campaign. He also talked about the increased number of members in the DPRD [Regional Legislature] of the Jakarta Special Capital Area Level One Region.

Rudini said the deaths reportedly were caused by traffic accidents during campaign activities. Two of the dead were from the PPP [Development Unity Party], six from the PDI [Indonesian Democratic Party], and three from GOLKAR [Functional Group]. The injuries were caused by minor traffic accidents and beatings and were suffered by three people from the PPP, 11 from GOLKAR, four police officers, and five members of the public not involved in campaigning.

OPP representatives who met with LPU members were Nico Daryanto, Yahya Nasution, and Parulian Silalahi of the PDI; A.E. Manihuruk from GOLKAR; and PPP General Chairman Ismail (Buya) Metareum. Lieutenant General Harsudiyono Hartas, ABRI [Indonesian Armed Forces] KASSOSPOL [chief of Sociopolitical Affairs Staff], represented security elements, and Major General Suryadi Sudirja, ASSOSPOL [assistant for sociopolitical affairs] to KASOSPOL [chief of sociopolitical affairs], represented the Armed Forces commander. Police Brigadier General Madra, SM [expansion not given], represented the chief of POLRI [Indonesian Police]. Rudini himself was accompanied by Attorney General Singgih, SH [Master of Laws], who is chairman of PANWASLAKPUS [Central Elections Supervisory Committee].

Rudini told reporters after the meeting that discussions of violations had lasted for more than two hours. Rudini was accompanied by his staff during the interview with reporters, but the OPP representatives left the Department of Home Affairs immediately.

During the meeting, Rudini had warned the three OPP's that violations of the presidential directive on campaigning have increased in number and seriousness. Violations have included use of motor vehicles in parades, brutal conduct, and fomenting of unrest by going in and out of villages.

There has been a growing number of actions that hurt people at lower economic levels, such as the taking of cigarettes, food, and drink without paying. Trucks are stopped and the drivers ordered to transport people. If the drivers refuse, they are beaten. "The most disturbing is opposition to police officers, which has left several officers injured," he said.

He said the OPP's accepted the violation reports as evidence of things needing to be resolved following their agreement that open-air campaigns should continue. The three OPP's agreed that, except from 1-3 June, campaign rallies will be held indoors, and on surrounding grounds, at places other than schools, government offices, houses of worship, etc.

Eliminate 'White Group'

He said the agreement to proceed with the campaign was reached when the OPP's promised to improve internal discipline. To prevent more violence among people taking part in daily campaign activities, Rudini asked the three OPP's to improve internal control by reactivating task units to support security agencies.

"Reactivate the OPP task units to control the campaign crowds, and take firm action against any who cause unrest and fear in the community," Rudini ordered. The OPP task units, which will use emblems and official OPP uniforms, will also give depth to POLRI's security function.

Through its task units, each OPP will be required to prevent impetuous and hurtful behavior by its members and to be alert to infiltration by persons wanting to cause trouble.

The minister, who is national political supervisor, said the agreement to continue the campaign is even more important because it will give great success to the general election, now only days away, and will eliminate the "white group" [election boycotters], which has been in evidence in several regions.

The three OPP's also agreed to keep the previously approved campaign schedule.

Yogya Case

When asked about the "Yogya case," which is considered the country's worst disgrace to the 1992 election campaign, Rudini described the situation chronologically.

He said that at 2100 hours every night since the beginning of the campaign, an evaluation meeting with the three OPP's has been held by the provincial PANWASLAK [Elections Supervisory Committee].

In the meeting on 14 May, it was concluded that in the first five days many violations had occurred, including riding motorcycles without helmets, using motorcycles without mufflers, removing license plates, riding three people on a motorcycle, and taking food and drink without paying.

It was agreed in the meeting to give the three OPP's until 16 May to correct the violations and comply with regulations.

From 17-20 May, however, the campaign became even more disorderly, which prompted agreement to take action.

The next day, PDI activities were put in order, but a group of people claiming to be college students sent funeral biers to other OPP's. In protest, the leaders of those OPP's removed their party signs.

Order was restored after the meeting of 22 May, when the three OPP's were informed of a directive by the Yogyakarta governor banning use of two-wheeled motor vehicles in parades.

More Members for Jakarta Regional Legislature

The addition of members to the Special Capital Area DPRD was in response to a request by the four factions of DPR [Parliament] Commission Two that was voiced during discussion of draft legislation for the Metropolitan Jakarta Regional Government.

After study, the Department of Home Affairs found that the increase is permissible. Besides the basis provided by Law No. 16 of 1969, which directs that the Special Capital Area DPRD should have at least 60 people, Law No. 11 of 1990 was also found to apply.

Article 14, paragraph 2, of Law No. 11 of 1990 provides that the membership of the Special Capital Area DPRD should be decided through consideration of Metropolitan Jakarta as the national capital and of the rapidly changing dynamics of its problems. Membership in the DPRD is set at 60 to 100, with the provision that at least one member may be added for each 200,000 people.

"As of 1991, the population of Jakarta was about 7.6 million people. Division by 200,000 shows that 38 people should be added to the DPRD," said Rudini.

The increased size of the DPRD is not based entirely on population, the minister continued, but is also related to the dynamics of the capital's complex problems. The capital is special in that it does not have regional autonomy.

He added that the additions bring the total DPRD membership to 75. There will be no need to change the existing list of legislative candidates, for the final candidate list normally has twice as many names as the number of members who will be elected.

Suharto Concerned

92SE0265A Jakarta PELITA in Indonesian 27 May 92 pp 1, 11

[Text] Jakarta (PELITA)—President Suharto is concerned about the growing brutality of the campaign. The existence of wild campaign crowds shows that the political education of the people is still low and needs to be improved.

The head of state's concern was expressed to reporters Tuesday afternoon [26 May] by MENKO POLKAM [Coordinating Minister for Politics and Security] Sudomo following a GOLKAR campaign rally at the East Parking Lot at Senayan, Jakarta. On Tuesday morning, Sudomo had called on President Suharto at the Bina Graha to present an invitation to the wedding of his second daughter, Tina Dwikora, and Lucky Mamoto. The marriage ceremony will be held on 20 June, and the reception will be on 22 June at Puri Sahid Jaya.

According to Sudomo, his half-hour meeting with President Suharto was used for exchanging thoughts on the current campaign situation. "The president expressed his great concern over the wild campaign crowds of one of the OPP's [election participant organizations]," Sudomo said. He asked me as MENKO POLKAM to keep monitoring campaign developments," he continued.

Sudomo said there are many disadvantages and dangers to mobilizing such big crowds. One of the excesses is that young people take food and drink without paying, or they throw stones at any cars that pass their vehicles. "I experienced that myself in my own car," Sudomo said.

Not 'Floating Masses'

Sudomo denied that such conditions are caused by "floating masses" [unaffiliated voters] but said that the OPP attracts young people to a place with cars and that the young people are given rides in the cars. "Thus, the problem is not 'floating masses' but that such conditions are created," the MENKO POLKAM said.

Meanwhile, GOLKAR functionary Murdiono said at the GOLKAR DPP [Central Executive Council] Building at Slipi, Jakarta, that he is concerned over the deaths of several people in the general elections campaign. "Although I did not know them personally, I am taking part in extending condolences," he said.

He stated that the deaths could have been avoided if everyone had taken an attitude of self-restraint. "Perhaps this is a lesson for improving future campaigns," he said.

Wahono: Critical and Realistic

The long-term development now under way has brought much progress to the people. The results of development demonstrate this. The result of development that is especially gratifying is in the political sector.

"Thanks to development that has been achieved, the people are more critical and realistic. The people are more aware of political issues. This is a gratifying result," Haji Wahono, general chairman of the GOLKAR DPP, told hundreds of thousands of GOLKAR people at

Gunungkidul Tuesday. Also present on that occasion were campaign rally leaders Sri Sultan Hamengku Buwono X, Supardjo Rustam, Haryati Subadio, and Sugeng Wijaya.

He said that the success of development in the political sector shows that the government has sincerely tried to promote the ideal of political democracy.

"Without efforts toward development and the promotion of this political democracy, people would not have become as critical and realistic as they are now," he said to the roaring crowd.

Wahono said the forthcoming elections have special meaning for Indonesians, for at the same time Indonesia will leave Long-Term Development Phase I (PJPT I) and move toward PJPT II.

He said this transition period is a time of challenges, for in this time of transition we will see the extent of the physical and psychological development that has taken place to move us to the takeoff period.

In the morning of the same day, Sri Sultan Hamengku Buwono X, accompanied by GOLKAR headquarters functionary Sugeng Wijaya, had dedicated three buildings. The buildings were the Guppi Islamic Junior High School at Semin Village, the Arid Madani Mosque at Jragum Village, Semanu, and the Mudlowi Muhammad al-Idli Mosque at Blimbing, Karangrejek, Wonosari, in Gunungkidul.

At the dedication of the Arid Madani Mosque at Jragum, Sri Sultan said the physical building of a mosque is not very significant if it is not followed by greater religious understanding and a higher quality of faith.

Abdul Gafur: No Need for Idols

GOLKAR headquarters functionary Dr. Abdul Gafur said that GOLKAR does not need idols but should appreciate the nation's fighting heroes. Because Pattimura is a national hero, GOLKAR shows appreciation for his services through the development performed by the New Order government.

The GOLKAR headquarters campaigner, who is also a native of Maluku, led a rally Tuesday at Merdeka Field, Ambon, which was attended by a crowd of more than 10,000 people. Also present on that occasion to unite "young Pattimuras" was GOLKAR DPP Secretary-General Freddy Latumahina and local GOLKAR functionaries.

According to Gafur, there is an OPP that likes to depend on a popular idol, and when the idol does not appear, the people disperse. Another OPP, Gafur said, acknowledges development but says it has not been evenly distributed. That is clearly a lie, he said, because the government has constantly been creating even distribution through a number of INPRES [presidential instructions], such as INPRES 32, INPRES 31, the Marketing INPRES, and the Reforestation INPRES. Even distribution proceeds continuously at the rate of national development. For that reason, GOLKAR is committed to development and needs to win the election.

Gafur also said one OPP promises that if it wins it will transport Muslim pilgrims by ship. That is the talk of the most stupid people, he said, for it is in fact more expensive to make the pilgrimage by ship. Since REPELITA I [First Five-Year Development Plan], the New Order, with GOLKAR's support, has transported thousands of Muslim pilgrims by plane.

There are people from another OPP who say that Pancasila democracy is not perfect. That OPP, he said, was influenced by liberal democracy during the Old Order era. During the era of Guided Democracy, they followed Guided Democracy and the dictator of that time. It is GOLKAR that has worked incessantly to establish Pancasila democracy and not other kinds of democracy. With flaming enthusiasm, Gafur called on "young Pattimuras" to oppose that OPP.

Gafur said such people come to Maluku with lies. With the REPELITA almost over, they say that if they win they will make education 25 percent of the budget. That would be clearly impossible. The government, he said, has not ignored educational development. As an example, when REPELITA I began, there were only 43,000 elementary schools, whereas this year there are 141,000 elementary schools throughout Indonesia. Gafur also reiterated the positive results achieved by the New Order government in national development, which has had the full support of GOLKAR.

Gafur took the opportunity to introduce other GOLKAR functionaries present, such as Freddy Latumahina and Reza Karmulah.

The gala rally included interludes of songs by artists from Jakarta and the local area. Among the artists from Jakarta were Nia Daniati, Jeane Pattikawa, Franky, and Tity Sanusi.

Irma Alamsyah: Promote Cause of Women

In West Sumatra, at the volleyball field at Parit Rantang Subdistrict, City of Payakumbuh, Dr. Irma Alamsyah, MS, West Sumatra GOLKAR campaigner and legislative candidate of GOLKAR headquarters, said GOLKAR will continue the fight to bring women to decision-making positions in every occupation. Because the number of women voters is now approaching the number of male voters, Irma Alamsyah is instructing women everywhere to improve themselves and to stand with GOLKAR in its untiring struggle to promote the aspirations of the people.

She acknowledged that the current general election campaign does not send enough women into the field and called on GOLKAR women campaigners to play a bigger role. Women will be rising up in the future to hold the reins of leadership in every sector.

Moreover, she said, GOLKAR is fighting for a bigger role for women in national development through having them participate in every sector. She therefore asked women to play an optimal role by improving their knowledge and skills.

GOLKAR has programs for improving the prosperity of the people through development in the areas of agriculture, village improvement, small business, and youth, because these sectors are the nation's hope for future development. Again, she called on women not to fold their hands.

She said an important aspect of general elections is the campaign. The campaign is the high point of all election activities, because the political community is made up of "floating masses."

Irma Alamsyah was accompanied by Drs. Anas Syafei and M. Nur Arrasuli, both of whom are GOLKAR campaigners in West Sumatra and legislative candidates from West Sumatra and GOLKAR headquarters.

Witoelar: Responsible Youth

Rachmat Witoelar, secretary-general of the GOLKAR DPP, said that college students and young people must be responsible for the quality of future political development. It will be fatal if the younger generation, particularly college students, continue to be passive in the present political development process.

The GOLKAR DPP secretary-general made this statement in a campaign dialogue with about 800 college students in Surabaya yesterday. Dr. Pratiwi Sudarmono, Erna Witoelar, and Anton Priyatno, chairman of the Department of Organization, Membership, and Cadre of the GOLKAR DPP, also spoke in the dialogue with students, who came from various universities in Surabaya.

The dialogue, chaired by Dahlan Iskan of the JAWA POS, was animated and interesting. Students presented a number of aggressive questions in the forum, but Rachmat Witoelar, Pratiwi Sudarmono, Anton Priyatno, and Erna Witoelar were successful in keeping the questions from putting GOLKAR in a corner.

The questions related to GOLKAR's role and service, SDSB [charity lotteries], the "monoloyalty" of government employees, GOLKAR's position on the presidency, and unfairness in the way electricity is brought to villages.

According to Rachmat Witoelar, the gist of all the questions raised by students is that the development now in process has produced many qualitative changes, while at the same time facing us with many challenges in education, jobs, and basic needs.

All the conspicuous shortcomings should be lessons to us "so that we will not be tripped up by the same problems again."

Rachmat said the principal demand is for the development of a system that relates operationally to the challenges and needs.

Another main requirement of such a system is the active participation of the younger generation and college students. Neglect by the younger generation to participate in the system will destroy the dynamics of society itself.

"The vital function of young people as the backbone of the state, society, and the nation is clear. The reluctance of

young people to involve themselves in the general election process is a virus that greatly threatens the nation as well as themselves."

To prevent the spread of this virus, Rachmat said, young people need to be politically aware and to participate in the political development process now under way. "It will be fatal for the nation if the younger generation remains passive," he said.

Dr. Pratiwi Sudarmono said the key to future national success will be the emergence of quality young people, people who have a capacity for science and technology. "Without that capacity, we will remain a third class nation in the midst of stiff competition."

The campaign dialogue in Surabaya proceeded with civility. The speakers, who were for the most part GOLKAR campaign workers, did not do any shouting; and after answering the belligerent questions of students, they said, "Whom you vote for on 9 June is up to you."

Rachmat Witoelar said GOLKAR is using such campaign dialogues to broaden public understanding of GOLKAR programs.

Judging by the questions asked and the atmosphere of the discussions, it appears that such forums are extremely rare among young people and college students. The content of the questions shows that the OPP's must be diligent in personal contact on campuses.

MILITARY

Military Says Court Decisions on Dili Cases Final *92SE0296B Jakarta ANGKATAN BERSENJATA in Indonesian 18 Jun 92 pp 1, 8*

[Text] Jakarta (ANGKATAN BERSENJATA)—Brigadier General Nurhadi Purwosaputro, chief of the ABRI [Indonesian Armed Forces] Information Center, says court decisions on Dili cases against civilian and ABRI defendants cannot be changed by anyone. Furthermore, the issues in the two kinds of cases were quite different.

The ABRI Headquarters spokesman made this statement Wednesday night [17 June] when contacted by ANGKATAN BERSENJATA about Australian Prime Minister Gareth Evans' concern over court decisions on the Dili cases, as broadcast by Radio Australia Tuesday afternoon [16 June].

The radio broadcast reported that Evans asked Coordinating Minister for Economics, Finance, Industry, and Development Control Radius Prawiro during the minister's visit to Australia why the punishment meted out to ABRI personnel was much lighter than that imposed on local civilians involved in the bloody demonstrations of 12 November 1991.

According to Nurhadi Purwosaputro, M.S., the civilians were not tried for involvement in demonstrations alone. Because their activities constituted conspiracy and underground action against the government, they were tried

under the ant subversion law. The demonstrations were merely one part of a series of activities.

On the other hand, a military court used the Code of Military Criminal Law to try the military defendants for negligence and acting beyond their authority in the performance of duty.

"I repeat that the issues were very different!" declared Brig. Gen. Nurhadi Purwosaputro.

Plans To Reduce Troops in East Timor Confirmed
92SE0296A Jakarta ANGKATAN BERSENJATA
in Indonesian 16 Jun 92 p 9

[Text] Denpasar (ANGKATAN BERSENJATA)—Major General H.B.L. Mantiri, commander of Military Region Command IX/Udayana, says it is true that there is a plan, as mentioned recently by KOLAKOPS [Operations Executive Command] Commander Brigadier General Theo Syafei, to reduce the strength of ABRI [Indonesian Armed Forces] combat battalions in East Timor and to abolish the KOLAKOPS in that area.

"Because we will naturally look at conditions there first and adjust what we do to the local situation, I cannot give you the day, month, or year when KOLAKOPS will be abolished and troop strength will be reduced," Mantiri

told reporters last Tuesday night [9 June] as he toured communications posts of the Bali PPD (Regional Elections Committee) in Denpasar.

The plan to abolish the East Timor KOLAKOPS was revealed early this month by Theo Syafei, who said, "If the situation in East Timor following the Dili incident remains calm and under control until August, ABRI personnel there will be reduced gradually, and the KOLAKOPS organization will be dissolved."

"We will discuss and evaluate this matter and seek alternatives to KOLAKOPS, and we will report the results to ABRI Headquarters. There is truth to what Theo said," Mantiri stated.

When asked what steps will be taken if the East Timor KOLAKOPS is abolished, Mantiri said that one action may be to strengthen the KOREM [Military Area Command] so that it will function as a "DANKOOPS" [commander of operations command], but alternatives must be further discussed and evaluated.

"The reduction of forces naturally will be done gradually, such as by withdrawing one or two battalions first while expanding the role of territorial operations," the Udayana Military Region commander said.

PRC-built Facility in Luang Namtha*92SE0275B Vientiane PASASON in Lao 11 May 92 p 1*

[Excerpt] The construction of the special guest facility in Luang Namtha Province was recently completed 100 percent after more than two months of work by the Hai Li Siang Houng Construction Company of the PRC.

This guest facility has two stories, has an area of 126 square meters, and has the full complement of bedrooms and work rooms. It cost the province about 25,245,000 kip. [passage omitted]

Details on Largest Hotel Privatization*92SE0275C Vientiane PASASON in Lao 26 May 92 p 2*

[Excerpt] According to a report on 13 May the Chairman of the Vientiane Municipal Administrative Committee had examined and approved the transfer of the ownership of the Lan Sang Hotel to a state-private stock company to preserve the hotel as an important political, economic and cultural entity for the Vientiane Municipality as well as for the LPDR [Lao People's Democratic Republic].

The ceremony for signing the agreement concerning the formation of the joint state-private stock company to own the Lan Sang Hotel was held at the hotel on 9 May. Mr. Viset Sisa-at, the head of the Office for Economics, Planning and Finance for the Vientiane Municipality, represented the state at the level of the Vientiane Municipality, and Mr Sa Soundala, the Director of the Vientiane Municipality Export-Import Stock Company, represented the private side. Those present included Mr. Oudom Khittiya, a member of the politburo of the party Central Committee and chairman of the Vientiane Municipal Administrative Committee, high-level cadres and a number of specialists.

The Lan Sang Hotel was valued at U.S.\$5 million. The state is to hold 30 percent of the stock worth U.S.\$1.5 million. The state's share would be held as a single block. Private parties are to hold 70 percent of the stock worth U.S.\$3.5 million. The private ownership would be divided into many shares. This would occur within three years of the signing of the agreement by both parties. The total value has been divided into 50,000 shares, each share worth U.S.\$100. The shares would be sold to cadres, workers and the people with the approval of the administrative council of the Lan Sang Hotel enterprise. The money earned each year [from sales] would depend on the value of the shares held by the various parties.

The agreement covering the Lan Sang Hotel joint stock enterprise is for 40 years. The rent for the land area of 12,067 [square] meters is to be covered by an agreement for each period. In the first three year period the private side will repair the hotel and bring its operations up to international standards. In addition a new hotel building will be constructed which will meet five star standards in order to assure the expansion of the hotel's business and tourism in the Vientiane Municipality. [passage omitted]

Mr. Viset Sis-at also said that the Office for Economics, Planning and Finance and the Industry and Trade Department were about to complete their examination of finances and past accounting. In addition these units would pay the amounts which the hotel had not provided for the budget of the Vientiane Municipality.

The economic judgement provided by this joint enterprise between the state and Lao private parties involving the Lan Sang Hotel showed that the system of subsidies has been abolished and that the economy was controlled by a real market system which was in agreement with the new changes in the economy involving efficient business management.

Beginning in May the hotel's income would increase from 57.44 percent to 124 percent if comparisons with other businesses in the past were used [as a guide]. Therefore the lowest payment of budget obligations would be: 143,700,480 kip for the business number tax, 53,841,024 kip for the profits tax, 3,600,000 for the wage tax, and 19 million kip on the profit from selling the shares. As for the rent on the land an agreement would be reached for each period soon.

In the past the hotel fulfilled its obligation to the state at the level of the Vientiane Municipality with just 29 million kip for depreciation, 91,267,688 kip for the business number tax, and 77,598,018 kip for the profits tax (these figures are for 1991). In addition the new administrative committee for the hotel is to encourage the leadership role of the party unit in the hotel in order for it to provide guidance and carry out its tasks with regard to the political duties of the party and state and to expand the roles of the three mass organizations, the LPRYU [Lao People's Republic Youth Union], the women's organization and the trade unions, in providing the manpower and the mastery over the business of the hotel. [passage omitted]

Forestry Police Senior Official on Smuggling*92SE0275D Vientiane PASASON in Lao 6 May 92 pp 2, 3*

[Excerpts] Mr. Phantithongsavat Lovanleuang, a member of the headquarters committee of the central forestry police, said that on 27 April at an inspection point in the area of Ban Nongkhon Village in Vientiane Province, the forestry police and special operations team 08 of the Customs Department siezed illegal lumber. [passage omitted] In addition to this in various localities in various provinces there were bad groups cutting trees in a careless manner which violated regulations. For example in Attopeu there was a bad group which had continued to cut perennials carelessly - they cut 1,000 cubic meters of *pterocarpus macrocarpus*. At the beginning of this year there was a report that in Attopeu Province 3,500 cubic meters of perennials had been cut and that in the Phuphiangnakai area of Bolikhamxai Province 38 elephants had been secretly killed by a bad group which had also cut *podocarpus imbricatus* and ket sana illegally. They used hand saws, and for transportation they used buffalo.

This was just part of the illegal logging which forestry officials had discovered. The officials took action against the criminals by siezing the illegal goods, imposing fines and putting them on trial.

Did the putting into effect of decree 67 of the prime minister throughout the country for several months or almost a year give the bad groups in various areas the opportunity to secretly cut trees in a careless manner which violated the law or did this happen because they wanted to cut as much timber as possible before the deadline on the last day, which is 30 May. This has been set as the last day for sending wood of any kind out of the country from localities. The Ministry of Agriculture and Forestry announced the deadline throughout the country on 20 April 1992. The announcement meant that after the deadline companies processing wood in the various provinces could only receive logs from timber cutting approved by the Ministry of Agriculture and Forestry in areas which had been surveyed and for which there had been an economic judgement which provided official assurance that the wood processed was for construction only within the province. As for the "quota" of wood for export, in the future only central authority, namely the Ministry of Agriculture and Forestry in coordination with the Ministry of Economics, Planning, and Finance and the Ministry of Trade and Tourism, could export wood directly. In addition on 24 April the Council of Ministers issued an announcement prohibiting the exploitation of timber to provide funds for various construction projects.

Nevertheless the business in illegal lumber was not large - it was small and secret. At the headquarters committee of the central forestry police a person expressed the opinion that since decree 67 of the Prime Minister the supervision and inspection of timber had been effective. In particular the saw mills had followed the rules. Now the most dangerous problem was that there were still businessmen encouraging the people to clear forests and burn forests so that there would be logs available. The bad groups which cut secretly worked on a very small scale such as in family operations and used hand saws as their equipment.

Therefore the question was what should be done to restrict the illegal logging by the bad groups. This was important because the secret logging was not just an appropriation of the nation's forest resources but was also doing something detrimental to human life and to other living things: it was destroying the forests and the environment.

'Enemy,' Drug Use in Champassak District

92SE0275A Vientiane PASASON in Lao 12 May 92 p 3

[Article by Boualapha Thindoi: "Ban Bok Village Improves Public Security"]

[Excerpt] Recently I had the opportunity to go to area six of Phon Thong District in Champassak Province which includes Ban Bok Village. It had been recommended by the cadres for grassroots construction of the Ministry of Defense who were building the grassroots in that area. They said that this village had been improved in all areas. In particular it was outstanding in public security.

In a meeting to draw lessons concerning grassroots construction in Champassak Province, Mr. Ket, the chairman of the village administration, reported to the meeting that: [passage omitted] the various village organizations, including the party, were not fulfilling their roles. The party unit did not know the appropriate guidance techniques for the conditions in the area. And the various mass organizations just did what they could or were just structures which did nothing. Therefore they were in the position that public security activities and the people's understanding that public security duties involved the masses were not sufficient. So in the past persons entering and leaving Ban Bok Village were not carefully inspected. Good persons and bad persons were treated the same - they did not differentiate friend from foe. This permitted burglary, illegal gambling, and lavish use of opium and marijuana.

Because of this confused situation, beginning in August of last year the unit for grassroots construction in this village coordinated with the party unit and the administration to inspect activities again thoroughly, to improve the political system according to the goals, to encourage the mass organizations to learn techniques for operation on their own, to help the party units increase their role in guidance, and to train party members in the techniques for their roles, in providing training and in the principles of fair evaluations. Gradually the party units were able to make evaluations correctly. [passage omitted] Everything had to be involved with public security which meant that every unit from the party units to the village administration and the various units had cadres responsible for national defense who trained the people to recognize the devious schemes of the enemy and to increase their caution and mastery in blocking hostile groups as well as their awareness of everything that happened in the village in the past. [passage omitted]

POLITICAL**Paper Discusses U.S. Asia Role, Bilateral Issues***92SE0284A Bangkok SIAM RAT in Thai 4 Jun 92 p 3*

[Editorial: "U.S. Influence in Asia"]

[Text] The United States and India held joint Naval exercises in the Indian Ocean for the first time in May 1992. This has planted many doubts in the minds of those who have learned of this, because the United States and India have been foes for a long time because of U.S. support for Pakistan, which is an enemy of India. And India has firmly supported the former Soviet Union. The change of attitude on the part of these two countries is very interesting. This is the first time that the United States has cooperated militarily with India.

After closing its military bases in the Philippines, it appeared that the United States wanted to reduce its role in Asia and the Pacific. But the truth is exactly the opposite. The United States no longer has to rely on bases in the Philippines, because the threat to U.S. interests in Asia has declined. China has turned to developing its economy by cooperating with other countries and is trying to obtain modern technology from other countries. At the same time, it is trying to persuade foreign companies to invest in China. It is trying to reduce the size of its military and modernize its military forces. Its foreign policy is aimed at finding trade markets in order to benefit economically. The threat from the former Soviet Union has declined. The various states that have gained their independence do not pose a threat to the United States. At the present time, the United States wields great influence in the world, including in western and eastern Europe, Australia, Russia, the Middle East, and the Asia-Pacific region.

At present, the United States is doing various things in Asia in its own interests. It closed its bases in the Philippines in order to cut expenses. It has put pressure on Japan to increase its military budget and play a greater role in taking responsibility for security matters in Asia and the Pacific in place of the United States. It has contacted Singapore in order to gain access to Singaporean military facilities, which will cost much less than maintaining military bases in the Philippines. It is improving its relations with Laos and Vietnam. Vietnam's attitude has improved greatly. It is thought that the United States will soon normalize relations with Vietnam. South Korea has good relations with the United States. In Cambodia, the United States has exerted pressure to solve the Cambodia problem politically through the efforts of the United Nations and the United States.

The United States still has great political, strategic, and economic interests in Asia and the Pacific. It has a long history of ties to countries in this region. Also, in the past, this region has done much damage to the United States. Thus, the United States is taking this opportunity to profit as much as it can here. This is the right time for the United States to take action in order to reach its goals. Its most important tool is its superior political, economic, and military might. The smaller countries are very dependent

on the United States on all fronts. Besides this, the United States continues to use international organizations as tools to exert influence on other countries.

As for Thailand, we have had ties with the United States for a long time. In the past, we relied on the United States on several fronts. Today, we are competing against them on the economic and trade fronts, and Thailand has trade problems with the United States. There are several important problems, such as the copyright and patent issue and trade protectionism. The United States is trying to force Thailand to do what it wants. The best way out is for those responsible to consider things carefully and decide how we should deal with these problems. We should find solutions before other problems crop up. We shouldn't sit idly, hoping that time will help solve these problems. By then, it could be too late.

Pro-democracy Opposition Leaders Profiled*92SE0272A Bangkok NAEON in Thai 21 May 92 pp 5, 15*

[Excerpt] [passage omitted] Miss Chitrawadi Worachat

She was born on 18 October 1966 in Uttaradit Province. She is the eldest of the three children of 2d Lieutenant Chalut Worachat, a former MP [member of parliament], who is now on a hunger strike to demand that the prime minister be an elected official.

Miss Chitrawadi, or Tom, completed secondary school at Triam Udom School and then entered the Faculty of Political Science, Chulalongkorn University, in 1985. During that period, 2d Lt. Chalut, her father, went on two hunger strikes to protest the fact that the constitution was not democratic. That was when the blood of political struggle based on pure democratic ideals began to flow through the veins of his daughter. During the time of the General Prem Tinsulanon administration, she joined a student group demanding that the constitution be revised and opposing allowing an outsider to become prime minister.

After graduating from Chulalongkorn University, she worked as a reporter for NAEON for a period. Following the coup of 23 February 1991, Miss Chitrawadi, who has strong democratic ideals, could not stand the fact that the sovereignty of the people had been stolen by a group of soldiers. Thus, she decided to turn away from her life as a reporter and enter the political arena by running as a candidate for parliament from Trat Province in the name of the Moral Force Party in order to pass on the ideals of her father.

In last month's demonstrations in front of parliament to protest the fact that the prime minister is not an elected official, Miss Chitrawadi was one of those who went on a hunger strike. And when a democratic federation was established to demand the resignation of Gen Suchinda, she was appointed one of the seven members of the federation's committee.

Mr. Uthai Phimchaichon

He was born on 16 August 1938 in Phan Thong District, Chonburi Province. He earned a degree in law from Thammasat University in 1961. He passed the bar exam and has worked as a lawyer.

Mr. Uthai is an older politician who is an eloquent speaker. He first won election to parliament in 1969 in the name of the Democrat Party. Because he was a politician who waged a fierce struggle against dictatorship, the government of Field Marshal Thanom Kittikhachon put him in jail.

After leaving the Democrat Party, he founded the Progressive Party and served as party leader until four political parties joined together to form the Solidarity Party. Mr. Uthai joined the Solidarity Party, serving as deputy party leader.

Mr. Uthai has held important positions both in the cabinet and in parliament. He once served as deputy minister of communications and minister of justice and served two terms as Speaker of the House.

During the recent terrible events, in his capacity as secretary general of the Solidarity Party, an opposition party, Mr. Uthai sharply criticized the government.

Dr. Weng Tochirakan

Dr. Weng was a student leader following the events of 14 October 1973. He was a member of the central committee of the Student Center of Thailand and served as president of the Student Organization of Mahidol University. After the bloody events of 6 October 1976, he fled into the jungle and joined the armed struggle being waged by the Communist Party of Thailand. After the government implemented a politics lead the military policy and gave patriotic and democratic people a chance to return and participate in solving the country's problems in a peaceful way, Dr Weng left the jungle.

Today, Dr. Weng works at the Ramathbodi Hospital. He also has a private business. When people began demonstrating, calling for the resignation of Gen. Suchinda, Dr. Weng was one of those who joined the demonstration. He has been appointed to serve as one of the seven members of the Democratic Federation committee.

Mr. Somsak Kosonyabut

He was born on 2 March 1945 in Nakhon Sithammarat Province. He earned a degree in law from Sukhothai University. He then went to work for the State Railway of Thailand, working as a train engineer. He joined the State Railway Workers Union and was elected secretary general of the union in 1989. He became the president of this union in 1991.

He is one of the labor leaders who has called for the resignation of Gen. Suchinda.

Mr. Prinya Thewanarumitrakun

He was born on 17 January 1968 in Phanom Sarakham District, Chachoengsao Province. His parents were merchants.

He completed secondary school at Saint Gabriel School and then entered the Faculty of Law at Thammasat University. He is now working on his M.A. degree at Thammasat University.

In 1986, he served as first vice-president of the Thammasat University Student Organization. This year, he was elected secretary general of the Student Federation of Thailand (SFT).

As a student leader, he has played an important role in demanding that the constitution be revised to make it more democratic and in calling for the resignation of Gen. Suchinda. Also, he is one of the seven members of the Democratic Federation committee.

Mr. Yunyong Ophakun

He was born on 9 November 1954. After completing his studies in the Philippines, he returned to Thailand in 1968 and pursued a full-time career in music by joining the "Hope" band. Later on, he formed his own band called the "Carabao" band, which played activist pieces of music and which became well known throughout the country.

Because he holds strong political views, he often supports calls for popular demonstrations through his music. Recently, he has supported the demonstration calling for the resignation of Gen. Suchinda.

In addition to participating in the political struggle together with the people, he has urged many other artists to speak to the people on Ratchadamnoen Avenue.

Mr. Chaiyawat Sinsuwong

He completed lower secondary school at the Buriram Withayakhom School and upper secondary school at Triam Udom School. He then continued his studies in the Faculty of Engineering, Chulalongkorn University.

He began his career as a level-three engineer with the Irrigation Department. After that, he worked for the Metropolitan Water Works Authority and the National Housing Authority. Later, he joined the Moral Force Party and was appointed assistant secretary to Major Gen. Chamlong Simuang, who was then the governor of Bangkok. It became well known that he was one of those who was close to Maj. Gen. Chamlong.

Today, he is a Moral Force Party MP from Bangkok. He has participated in the demonstration demanding the resignation of Gen. Suchinda, and he stood side by side with Maj. Gen. Chamlong until they were arrested.

Mr. Kriangkamon Laohaphairot

He is one of those who joined the tens of thousands of people who demonstrated for democracy during the time of the military dictatorship of Field Marshal Thanom Kittikhachon and Field Marshal Praphat Charusathian

during the events of 14 October 1973. After that, he was elected secretary general of the Student Federation of Thailand. He succeeded Mr. Sombat Thamrongthanyawong, the first secretary general.

Just prior to the events of 6 October 1976, when there were indications that dictators were preparing to suppress and arrest student leaders, Mr. Kriangkamon had to abandon his studies in the Faculty of Law, Chulalongkorn University, and flee into the jungle, where he fought alongside the Communist Party of Thailand. After the political situation improved, he returned to the university, graduating in 1982.

After that, he stayed out of the political arena until the coup of 23 February 1991. After the coup, he became an activist and urged former student leaders during the 14 October and 6 October periods to step forward again in order to wage a political struggle. He asked to register the Prachatham Party with the Ministry of Interior and is participating in the demonstration calling for the resignation of Gen. Suchinda.

Mrs. Prathip Ungsongtham (Hata)

The life of this beloved slum teacher began in the heart of the Khlong Toei slum. She does not have a birth certificate, because her parents did not have a house registration certificate. Her early life was a constant struggle against poverty. She attended school along with helping her family by selling things and working in a factory in that area. When she was 16 years old, which is when she was attending evening classes at the Wat Thatuthon Adult Education School, the basement of her house was used as a day-care center and as a school known as the "Wan La Baht" School ["baht a day" school].

Her work became known to the people of the world, and she was awarded the Outstanding Youth of Asia award in 1974. In 1978 she won the Magsaysay award and a community service award in 1978. In 1980 she was named the Outstanding Youth of the World by the Rockefeller Foundation. She is the founder of the Duang Prathip Foundation and the Retarded Children's Foundation.

She is married to a Japanese, Tatsuia Hata. They have one son. At a time when the people are holding demonstrations to fight for democracy and to oppose a government with an appointed prime minister, Mrs. Prathip is five months pregnant, but she has still joined the people, serving as one of the activists. She has been charged with helping to instigate a riot, and a warrant for her arrest has been issued in view of the fact that she is one of the seven members of the Democracy Federation committee.

Mr. Wira Musikaphong

He was born on 24 May 1948 in Ranot District, Songkhla Province. He graduated from the Phadung Sitphithaya School and then earned his B.A. degree from the Faculty of Law, Thammasat University.

He worked for the Metropolitan Water Works Authority for a period and then went to work for SIAM RAT. Later, he resigned his position and ran for election in the name of

the Democrat Party. He became an MP for the first time in 1975, winning election in the Phyathai zone. In 1976 he again won election. He suffered his first defeat in Bangkok in 1979.

As for political positions, during the administration of Gen Prem Tinsulanon, he was appointed deputy minister of agriculture and cooperatives. In 1981, Mr. Khloi Chitphithak, an MP from Phattalung, died and so Mr. Wira resigned his position in order to run in the by-election. He won the election and was appointed deputy minister of communications. In 1983 he again won election in Phattalung and was appointed deputy minister of interior.

He has been jailed several times, but fortunately for him, he was never held for very long. He was arrested the first time on charges of participating in the rebellion of 26 March 1977. During the administration of General Kriangsak Chamanan, he was granted amnesty on 4 December 1977 after spending eight months in prison. He was arrested again in 1988 while serving as deputy minister of interior in the government of Gen. Prem Tinsulanon. He was later granted amnesty, but the result was that he was prohibited from running for election for five years. The government of Gen. Suchinda issued a warrant for his arrest on charges of helping to instigate a riot in the country. He has already surrendered to the Police Department and will fight the charge.

Mr. Wira is a southern MP who is a very eloquent speaker. His speeches both in and out of parliament attract many listeners. He once caused turmoil within the Democrat Party when he led a group of MPs in the party in establishing a small faction within the party. This was known as the 10 January Group. He then resigned from the party in order to form the People's Party, which later became part of the Solidarity Party. He is now the deputy leader of the New Aspiration Party.

Mr. Praphansak Kamonphet

After graduating from the Faculty of Political Science, Chulalongkorn University, he worked as an instructor at Chulalongkorn University for a period. But adhering firmly to his ideals with respect to promoting democracy, he ran for election several times but was never elected. Later on, he formed a group of statesmen in order to wage a nonviolent struggle for democracy.

Mr. Praphansak is another man who has joined the people in demanding the resignation of Gen. Suchinda. He, too, is staging a hunger strike in protest.

Police Group Criticizes Military

92SE0281A Bangkok *THE NATION* in English
3 Jun 92 p a1

[Text] A group of police officers yesterday called on their colleagues to resist "illegitimate power" and urged senior military officials to accept responsibility for the killing of pro-democracy demonstrators on Rajdamnoen Avenue last month.

They also asked for a dissolution of the House of Representatives after amendments to the Constitution are adopted next week.

The calls were made in a statement signed by more than 250 police officers and made available to the press yesterday. The majority of the signatories are said to be medical personnel.

A copy of the statement was presented to Police Director General Pol Gen Sawat Amornwiwat by a delegation of policemen yesterday morning.

Pol Lt Col Supat Laoyawattana, a doctor at the Police Hospital, said the policemen are acting in the name of the "Police Club for Democracy" a newly-formed police group.

Supat led the 20-man delegation to meet Sawat at the Police Hospital during which he expressed concern over the police departments poor image in the aftermath of the Rajdamnoen carnage.

"The image of the police force has been tarnished because some police officers submit themselves to the service of amoral leaders," Supat told Sawat.

The statement issued by the club yesterday urged the police forces "to resist all illegitimate power and to stand by the people."

It said members of the club were opposed to the violent suppression of demonstrators by soldiers of the Capital Security Command. "All parties directly involved in the killings of the people must take responsibility," it said.

The police also criticized the army for its May 28 statement claiming that there were attempts underway to create hatred toward the military among the people. "The statement may cause misunderstanding and sow seeds of hatred between soldiers and the people," Supat said.

The club's statement also urged the five parties in the Suchinda-led coalition to "evaluate their role and refrain from attempting to form a new government."

Police chief Sawat said he was not aware of the existence of the police club until yesterday.

"But it is within their right to make their viewpoints known to their supervisors," he said.

Speaking to reporters, Supat said many policemen were appalled by the army's bloody crackdown last month but were too afraid to come out and say so.

Pro-Democracy Activist Kothom Ariya Profiled
92SE0278A Bangkok THE NATION in English
4 Jun 92 p c1

[Report on interview with vice chairman of the Campaign for Popular Democracy, Kothom Ariya, by Victoria Combe, at Chulalongkorn University, date not given: "Quiet Voice of Reason"]

[Text] Kothom Ariya's first reaction was one of guilt when he heard that pro-democracy protestors had been shot in the early hours of Monday, May 18. "I felt partially

responsible. I didn't know what I could do to repent," admitted the vice chairman of the Campaign for Popular Democracy (CPD).

The mild-mannered engineering professor helped galvanize the anti-Suchinda sentiment into the first demonstration outside Parliament on May 4. Working with 10 other political activists he organized the people's anger at Suchinda Khraprayun's appointment as prime minister into a peaceful movement. He never wanted nor expected violence, and was deeply shocked by the bloodshed.

Sitting in the restaurant at Chulalongkorn University where he teaches, Kothom, 49, is still dressed in the mourning colours of black and white. The deaths of the protesters during the military crackdown May 17-20 have fired his fight for a free and democratic government. Now he spends his days pressuring the government to remove those guilty of the massacre from their positions.

The Royal Amnesty Decree makes it impossible to press criminal charges, but Kothom says he is hopeful that disciplinary measures will be brought against former prime minister Suchinda, Army Chief Itsaraphong Nunphakdi, Supreme Commander Kaset Rotchananin and Interior Minister Anan Kalintha and they will lose their jobs and titles.

Speaking last Thursday Kothom explained how the demonstrations started. As soon as Suchinda took the premiership, the non-governmental organisation CPD decided to take action, he said. "Our principle was to struggle in a non-violent way against Suchinda's appointment using symbolic and direct actions," explained Kothom.

Earlier this year Kothom was running Pollwatch, an independent watchdog committee set up to monitor the March 22 elections. He battled against vote buying and selling for months in order to encourage a free and fair election. Despite all the hopes for a democratic election, on April 7 a non-elected prime minister was chosen and Kothom prepared for a new battle.

"It was not Suchinda the man we were against, it was what he represented: A bureaucratic force as opposed to a democratic force. 'Bureaucratic' meaning both military and civil services," cited Kothom.

The CPD opted for a direct move. "A rally was the most powerful way we could express our message to the authorities," said Kothom, with an expansive gesture, "It was the best way to mobilise public opinion."

Kothom converses with distinctly European style, using his hands and eyes more than words. He picked up the mannerisms during his nine years in France, where he studied engineering from 1960 to '69. He still speaks fluent French and much of his political ideology is influenced by his years in France. "After being in France I wanted Thailand to have a more equal society. Thai society is hierarchical and vertically structured. I think we have to move in the direction of equality," he commented.

Taking out a little black diary, Kothom flicked the pages back to May 4. "I was at the rallies every day from May 6

to May 18, breaking for only three hours each night to sleep," he recalled. The organizing committee of 11, of which Kothom was a member, struggled to keep the rallies in order but had to cope with "a few surprises" which blew their plans, explained Gothom.

The biggest surprise was Major General Chamlong Simuang's decision to go on hunger strike on May 6, he said. Soon after Kothom realised the committee was no longer running the rally and they appointed Chamlong the leader. On May 14, Chamlong set up the Confederation for Democracy and Kothom's organizing role became secondary. He had little involvement in the plans for the Sunday, May 17, rally which ended in bloodshed.

"Until Sunday evening (May 17) I was confident that the rally would be peaceful. Even when they started shooting I thought they were firing in the air," said Kothom who stayed at Rajadamnoen Avenue until 6:15 am on Monday. He sat between Democracy Monument and Phan Fah Bridge and said he could hear but not see the gunfire.

It was not until 10 am on Tuesday morning Kothom found out that people had been wounded and killed. He immediately sent a message to the Interior Minister AC Anan Kalintha asking for a stop to the violence. "I even got a message back from Anan saying everything would be done with maximum care and no violence," recounted Kothom.

But Anan's words turned out to be empty and the blood-letting continued into Tuesday morning. Kothom was horrified. To show his grief, he went with his fellow CPD members to lay the first wreath on Democracy Monument on Wednesday morning.

Kothom has been peacefully fighting for democracy since 1973 when CPD first began, although it was then called the Union for Civil Liberty. Kothom was 30 during the November demonstrations against the Thanom-Prapas regime. In fact his only daughter, Nalin, was born on November 15, 1973, and Kothom had to leave the demonstrations and drive through street battles to see his baby in hospital.

In 1979, the Union for Civil Liberty opposed a new constitution. They did not succeed but their protest marked the first campaign against the constitution. The committee of 20 changed their name to Campaign for Popular Democracy and successfully fought against an amendment to the constitution in 1982. After the military coup in February 1991 the members regrouped.

The pro-democracy movement has gone from strength to strength since then and Kothom believes the military's decision to open fire on protesters has further fortified the movement's support. "If the government could have shown us as troublemakers whom they peacefully arrested, the movement would have been doomed. Their use of force created trouble for themselves," commented Kothom.

Kothom is not certain what the CPD's next move will be. At the moment they have the choice of supporting the

Opposition parties (they have never linked with political parties before) or "washing their hands of the problem," said Kothom.

Personally Kothom wants to continue to teach and do his NGO work. He does not plan to capitalise on his current fame and become a politician. "In a way I'm more needed here (in NGO work)." His wife, Pornthip, who works for Air France, has little interest in politics although he says she is always supportive of him.

Peering over his spectacles, Kothom smirks at the thought of being a politician: "I'd have to fight to be nominated." Kothom prefers to spend his money and energy fighting for democracy.

He is optimistic that Thailand is moving forward. "We are in the process of changing. The situation is not certain and we may suffer setbacks in our efforts, we have to be vigilant."

Kothom had to leave for his daily CPD meeting. His every free moment is filled with NGO work. "I wish I had more time to read just for reading sake. I used to read French philosophy books to help develop my ideas, I haven't picked one up in a year," he sighed.

Kothom is an academic with a political activist's spirit; the combination of these qualities make his a rational voice amidst the bickering over Thai politics.

Sources Comment on Prem Influence During Unrest

92SE0286A Bangkok KHAO PHISET in Thai
29 May-4 Jun 92 p 25

[Excerpt] The Statesman's Burden

General Prem Tinsulanon's responsibility as a statesman is clearly defined; he advises His Majesty concerning administrative tasks. The country has always benefitted from His Majesty's protection and good deeds. Therefore, during the "Bloody May" crisis, every road led to "Sisau House." They went there on account of his close service to the crown as well as his being a senior military officer, whose "seniority and power" might still be enough to "cement" the rift between "younger class" members from the same academy.

High level sources from Sisau often tell KHAO PHISET that General Prem Tinsulanon follows Army and political situations closely. He has been rumored most recently as having a "favorable" relationship with General Chawalit Yongchaiyut, the leader of the New Aspiration Party.

Before 18 May, many members of both Political parties and the Army made efforts to invite General Prem to be the "center" of the solution to the problem. At about three o'clock in the afternoon of 19 May, high level sources told KHAO PHISET that General Prem could not make any move without an "order." He was also under pressure from many sides who expected him to solve the problem. One of his concerns was that it appeared that all the news received at the Sisau House made it clear that he who

controlled both the government and the Army did not "listen" to outside opinions from anybody.

Information From the Field—The Statesman's Maneuver

Perceptions of nights of the merciless killings on 18-19 May, were relayed to the Sisau House from "close associates" who witnessed the incidents at the scene. Since midnight of 19 May, KHAO PHISET learned that there were efforts to get General Prem Tinsulanon involved in lessening the seriousness of the situations by his previous loyal militarymen as well as by important politicians.

All day on 19 May, a close associate and a member of the Statesman's staff gave a continuous report to KHAO PHISET saying, "Keep your cool. There will be good news soon. The situation is improving." This comment clearly meant that the General had started his move to improve the situation. Still, the good news was postponed from the evening of 19 May, to around midday of 20 May, and finally materialized at midnight of the same day. This pointed out that the situation did not go as smoothly as expected. The concern was caused by the "news" spreading all through 19-20 May, that the troops loyal to General Prem Tinsulanon from provinces were on the move. These units were comprised of the Suranari Unit from Korat, the 2d Army Region, including troops loyal to General Chawalit Yongchaiyut, General Phichit Kullawanit, General Thianchai Sirisamphan and General Wimon Wongwanit. The troops loyal to these generals were the Volunteer Ranger Unit from Pakthongchai Camp, the Parachutist Unit of Pawai Lopburi, the 4th Army Region, the 21st Infantry Department Chonburi, the Cavalry Unit Saraburi, as well as some Marine Corps. The rumor had General Prem Tinsulanon, with General Chawalit Yongchaiyut and General Thianchai Sirisamphan, establishing an anti-government headquarters in Korat. Finally, on 20 May it was revealed that General Prem was at the Sisau House all the time, and that the Statesman's Maneuver was in Bangkok, not Korat.

Inside Operations—General Prem As the Main Man

On the morning of 20 May, there was a general meeting of the Privy Councilors at the Sisau House. A rumor had it that the meeting resulted in asking of General Suchinda Khrapayun's resignation to defuse the worsening situation.

High level sources told KHAO PHISET later that the proposal was successful and became a "major newsbreak" at midnight that day because several high ranking military officers realized suddenly that the Army's "image" in the eyes of the public was severely damaged well beyond public tolerance. The report alleged that from the meeting between "heads" of every military unit held in Bangkok, General Prem Tinsulanon was unanimously picked as the "main man" to solve the problem.

KHAO PHISET was told at 2030 on 20 May, that General Prem Tinsulanon was preparing to present the two adversaries, General Suchinda Khrapayun and Major General Chamlong Simuang, to His Majesty the King at the Chitlada Palace, where the Queen's Royal Guards, under the

direction of the commander of the 21st Infantry Unit Chonburi, provided protection. KHAO PHISET checked with the 21st Infantry Unit, and got a telephone answer saying, "The commander is on an official trip in Bangkok." [passage omitted]

Thirayut Bunmi Analyzes May Events, Military Role

*92SE0284C Bangkok MATICHON SUT SAPDA
in Thai 5 Jun 92 pp 14, 15*

[Report on Interview with Professor Thirayut Bunmi by Bunloet Changyai in Bangkok on 1 June]

[Excerpts] [passage omitted] In order to view these events from various perspectives, MATICHON SUT SAPDA interviewed Mr. Thirayut Bunmi at his home on Phuang Sat Lane, Sukhumwit 101 Road, around noon on 1 June. [passage omitted]

Today, he is a professor in the Faculty of Sociology and Anthropology, Thammasat University. Professor Thirayut said that even though he is now an academic, he can still help society by being a thinker and writer. He doesn't have to be the leader of a mass group as in the past.

The views that he expressed in his interview with MATICHON SUT SAPDA are the views of an academic, who has been involved in events since the very beginning. And he witnessed the recent bloody events in person.

Our first question to Professor Thirayut was, What were the riots of 17-20 May all about? As for the people's demand that the "unelected prime minister" resign, some people have said that this actually involved just certain individuals. Is that true?

His response was: As for the events of 17-20 May, the view that this was a conflict between certain individuals such as General Suchinda Khrapayun and Major Gen. Chamlong Simuang, between CRMA [Chulachomklao Royal Military Academy] Class 5 and CRMA Class 7, or between the opposition and the pro-government political parties, simply looks at the outer phenomenon. That looks at events rather than at historical trends.

Those events reflect the conflicts in society that have existed for a long time but that had not exploded. These conflicts are conflicts between those who want to develop and modernize the country and those who cling to the old ways. Or it can be said that this is a conflict between the modernization force and the traditional force in society.

In Thai society, since the development of the country in 1957 the country has undergone many changes in terms of both the class structure in society and the structure of society. The developmental changes have led to institutional changes. The major institution that has undergone a very interesting change is the monarchy.

"The monarchy is usually viewed as a traditional institution. This institution has existed for a long time. But based on what has happened during the past several decades, it

can be seen that this king is trying to develop the country. He is on the side of democracy. Foreigners have praised him, saying that Thailand's king is a democratic king. I think that the monarchy will play an important role in pushing the country along the right path so that the country makes progress."

Besides this, there are educational and occupational institutions, such as doctors and lawyers, that have been changed. And another institution that serves as a representative for development and modernization is the economic institution, the private business sector. The forces of this institution are the members of the middle class. These people are strongly opposed to the continuation of military power. They were upset when Gen. Suchinda became prime minister.

The institutions that represent traditional views include the bureaucracy. But some members of this institution hold progressive views. An example is the Ministry of Foreign Affairs. Foreign affairs officials hold progressive views, because they work in the world community. They know how the world has changed. As for the military, clearly, it still represents the conservative viewpoint. The same is true of the Ministry of Interior.

"Thus, I think that the events of 17-20 May stemmed from a conflict between two forces, the modernization force and the conservative force," said Professor Thirayut in conclusion after explaining the real nature of society, which led to the "terrible May" events.

Mr. Thirayut compared the differences between the middle class, which was the important base for this demonstration, and the military. He said that the middle class has economic power, which enables it to act and to support opposition movements.

"Modern means of communication were used, including cordless telephones, mobile telephones, fax machines, copiers, 'pack link' copies, and 'pet phones.' They formed a net to transmit this news. With fax machines, they could send messages to their colleagues and then spread the reports in a link. In preparing and disseminating leaflets, the people received much support. The middle class was the base of the people. As for the military, it has always monopolized state power. In the past, it monopolized the means of communication. But this time it couldn't do so. Society has changed. They don't understand this. They think that they can still do whatever they want just as in the past. In terms of personnel, the military is inferior to the private sector. The private sector is more efficient in giving reasons in order to counter the propaganda and ideological domination of the military and government. Thus, I think that in terms of basic strength, excluding weapons and violence, the people have superior strength."

Mr. Thirayut said that looking at the actual events, the military made several mistakes. In particular, the decision to use military force was the turning point that led to the defeat and resignation of Gen. Suchinda.

"I think that the military was wrong. Their duty is to defend the people. They are responsible for defending the

nation, that is, the people. But instead, they shot people. I think that the soldiers should have found a way to disobey the order to shoot people. I hope that soldiers will disobey orders to shoot people. How can they do that? I don't understand. Soldiers should be able to find a way to withdraw if they see that the people are really bent on waging a struggle and are ready to confront the military. That is more honorable. That was my view even before this happened. Initially, the soldiers fired warning shots. They fired in the air. But it angered the people to see the soldiers firing warning shots. On the night of 18-19 May, soldiers killed people in a rather barbaric way. That is very sad."

Mr. Thirayut paused for a moment before painting a black picture: "I think that on 17 and 18 May, Gen. Suchinda made everyone in society his enemy. Many crimes were committed. People were shot in the back. Women and children were shot. Doctors were shot. People were mistreated without any respect for the basic rules of a humane society. How can society survive? I think that what happened is very serious and that the military is quite isolated. It will take the military years to restore its image."

"In summary, the reason why Gen. Suchinda had to resign was that large numbers of people were killed, is that right?" we asked.

Professor Thirayut said: "Those soldiers barbarically suppressed the people, which was a serious violation of their duty as soldiers. Thus, someone had to take responsibility. Otherwise, the fighting would have continued and it could have turned into a civil war. It's fortunate that the king helped resolve the crisis."

The question being raised now concerns the military. Gen. Suchinda has resigned, but the heads of the military services are still in place. What will happen in the near future and in the long term?

Mr. Thirayut said that the military is a traditional force. Normally, its role should gradually decline as society develops and modernizes. The military should reduce its political role and modernize itself along the Western model.

"I think that society will continue to develop and that the military will gradually reduce its role. It's unfortunate that at this particular moment in our history, Class 5 gained power, and they were obsessed with gaining and holding power. That is not a modern viewpoint. As I said at the beginning, they became stubborn and eventually used force to suppress the people."

He added:

"In my view of history, on 14 October 1973, in the political tide, we eliminated absolute dictatorship from the Thai political stage. On 17-20 May, we eliminated the neutral person system from Thai politics, which enabled military officers to control the government, that is, to serve as prime minister. That took almost 20 years. People should not expect the military to withdraw from politics entirely. I think that the military will try to involve itself in politics in the future"

How long will it be before the Thai people have a truly professional military?

"I think that the Thai people will have to be patient. I think it will be another 10 years before we have a truly professional military," said Mr. Thirayut.

He said that "as for how they will play a role, absolute dictatorship and the 'neutral person' system are things of the past. The only thing left for them to do is to rely on the parliamentary apparatus. They can, for example, rely on influence, power, or money, which can consist of secret military budget funds or the money earned by the military from various state enterprises. Or they can form their own political party and look for secure sources of votes, that is, look for places where they can win easily. I am referring to the bases of influence of godfathers and other influential people in various localities. They can use that to become administrators or party leaders and then move into political positions. I think that this will be the main method or main tactic of soldiers in the future. And it's clear that the service that has taken the lead in this is the air force."

"I have heard that following these events, an attempt was made to reach an agreement with the Thai Nation Party regarding positions within the party for air force leaders."

Regarding the bloody events of 17-20 May, Mr. Thirayut said that an investigation should be conducted. The entire matter must be investigated. Low-ranking soldiers who were ordered to carry out those actions should be protected unless it can be shown that they used excessive force. Such cases should be handled on a case by case basis.

"What happened showed that there is a weakness in the military. The military must find out where the weakness lies. Why are soldiers promoting the idea that there are enemies within the country even though it was their bosses who interfered in politics and became involved in political power, with the result that they issued such orders to their subordinates? Why did junior officers obey those orders, which benefited only certain senior commanders and not the military as a whole?"

He then cited an example:

"Gen. Chawalit once served as supreme commander and RTA CINC [Royal Thai Army Commander in Chief]. He was once their boss. They used to admire him and once pledged to protect him. But then, he was suddenly viewed as a national enemy. Didn't they think that someone was tricking them? Why did they believe that about Gen. Chawalit? During their time, how could they allow such dangers to threaten the nation, religion, and monarchy by allowing him to serve as supreme commander and RTA CINC? That shows that they were not loyal to the nation, religion, and monarchy. That's right, because they allowed a person who posed a threat to hold those positions for a long time until he finally appointed [Gen. Suchinda] RTA CINC. They praised him and promised to protect him with their lives. They praised him as a clever person who was prepared to make sacrifices for the country. Such talk has

swayed back and forth. You can't believe senior officers. Thus, lower-ranking personnel should consider things carefully."

Mr. Thirayut said that during the 14 October 1973 period, he heard that some officers refused to obey the orders of the Thanom-Praphat government and kept their men on base. And some soldiers even helped the people. "I think that that is good. That should have been the case this time. This should not have reached the point where large numbers of people were killed. Thus, I think that the military should conduct an investigation to determine what actually happened. Someone must take responsibility. We can't allow this to be smoothed over when so many people were killed. This will create splits within society and lead to lawlessness. We can't allow this. Thailand has come this far already."

Before the interview concluded, Mr. Thirayut said that he wanted to say something about "honor," because recently, units directly subordinate to the military held a meeting and issued a statement saying that the military's "honor" had been trampled on.

"I have observed that whenever there is a conflict between the military and the people and people criticize soldiers and the military, the military will invariably issue a statement about honor. During the events of 17-20 May, the military did the same thing, saying that it could not allow the honor of the military to be trampled on. I think that such thoughts are very wrong. The main reason for the bloodshed was that the military interfered in politics. The mistake was that instead of carrying out its duty of protecting the people, the military suppressed the people. Weapons were used against innocent people. From the standpoint of society, honor comes from doing good. Those who do good will earn honor and prestige in return. This is normal. You can't do something wrong and then talk about honor. Honor stems from doing good, not from doing what is wrong. If a person has made a mistake and people criticize him, I think that he should listen to what they are saying and think about how to correct the shortcomings. That is the only way to restore one's honor."

[NAEO NA] Where were you when the soldiers began firing at people on the night of 18-19 May, and did you see anything?

[Thirayut] I was on the third floor of the Royal Hotel, from where I had a good view of the events. Actually, I was not alone. There were four-five other professors from Thammasat University there, too.

Around 1800 hours, there were about 100,000 in front of the Department of Public Welfare. I was near the window. Initially, the soldiers fired warning shots, and the crowd jeered them from in back of the barbed wire. A bus drove up near the wire. When the soldiers fired at it, the people became angry and tried to drive the bus through the wire. But it didn't get through the wire. The television reports stating that the soldiers fired because the bus drove through the wire and hit soldiers are not true. That was the third interval. Thirty minutes later, the wire was still there, and the crowd began jeering again. One of the people in the

bus was shot, and another person on the ground just below me was shot and killed. Elsewhere, I saw people running. This time, the people were fighting, but I couldn't see what weapons they had.

They tried to drive a vehicle through. To the rear, I saw two gasoline trucks. One of the gasoline trucks tried to burn the Lottery Division. That was a period of great violence. Many people were killed. A foreign reporter was shot and killed. Someone carried him away.

[NAEO NA] Did you see many people killed?

[Thirayut] I did not see everything, because my position became dangerous. Shots were fired in the air, too. They didn't shoot just at people on the ground. The people were very brave. I didn't see any of them carrying weapons. The people did not have any guns. Beginning around midnight, a very violent suppression operation was launched. Everyone was very afraid.

Besides that, I saw soldiers kicking people in the street. By that time, they had cleared away all the vehicles. They cornered people and beat them.

[NAEO NA] Were women treated the same way?

[Thirayut] In the lobby of the Royal Hotel, I saw soldiers manhandling women. I come from a military family. My older brother is a low-ranking soldier. When I was young, I lived on an army base. Even later on, I became acquainted with several senior officers. I still can't believe how something like this could have happened.

I think that people with guns must be highly disciplined. They must be very honorable and highly disciplined. Shooting unarmed people is not easy. Doing something like that is a sin.

Never before have I seen soldiers shoot at people and inflict such violence on the people as I saw this time.

Radio Thailand Songkhla Breaks Ranks on Coverage

92SE0294B Bangkok NAEON in Thai 21 May 92 p 3

[Text] Radio Thailand Songkhla on FM 90.5 megahertz went on the air on the morning of 20 May and called on soldiers to stand on the side of the people. It expressed confidence that there were many groups in the military that support justice.

This radio station, which is subordinate to the Department of Public Relations, went on the air at various times and told the people that it would present only factual data to the best of its ability and that it would continue to carry out its duty as a part of the mass media.

During a musical program at 0900 hours on 20 May, a female announcer criticized the prime minister and played a piece of music for life. She thanked people for calling in to voice their moral support and asking for musical pieces for life. What they need most is moral support.

During the day's programming, what the announcers were referring to but which they couldn't talk about clearly was the situation in Bangkok. Radio Thailand Songkhla, which

can be heard in Songkhla Province and neighboring provinces, starting broadcasting such programs on 19 May.

A reporter reported that on the evening of 20 May, the announcers on this radio station were still standing by the people. They revealed that several senior police and military officers from the Commissioner's Office of the Provincial 4 and the 4th Army Region had called in to offer their moral support, because they oppose killing people.

Military Role in Politics Discussed

92SE0294A Bangkok THAI RAT in Thai 2 Jun 92 p 3

[Editorial: "The People's Military"]

[Excerpts] Following the bloody events stemming from the demonstration calling for democracy, military leaders tried to make the people understand by issuing several statements. They admitted what had happened and said that the military is very sad. But at the same time, they expressed pride in what they had achieved, claiming that they had not intended to use violence and that what happened was an accident. They insisted that they were soldiers of the people but that they were prepared to protect their commander.

We feel that most Thais are sympathetic toward the military and believe that the military is one of the country's institutions. [passage omitted]

The main reason why there have been at least three violent confrontations between the military and the people during the past 19 years is that military leaders have interfered in politics. On many occasions, they have used the military as a power base in order to gain political power. And on some occasions, politics has been a crony or kin system.

Politics is a matter of gaining, using, and maintaining power. Thus, there are often conflicts, because there will always be at least two factions, that is, the government and the opposition. If it is a conflict between politicians, they will eventually find a peaceful solution, because neither side has weapons. Thus, they will reach a reasonable agreement or let the majority make the final decision. But if one side is armed and the other isn't, the conflict will lead to terrible events.

In the developed democratic countries, in general, the military does not become directly involved in politics. Those countries have a professional military that defends the country. But that doesn't mean that soldiers can't play politics. They can, but they must first resign their positions in the military just like civilian officials and people in other professions.

The only way to enable our democratic system of administration to move forward is to enable politics to run its own course free from interference by armed factions. The best way for the military to become a real military of the people and gain the real respect of the people is for the military to withdraw from politics in order to carry out its duty of defending the people from enemy attack and serving as the nation's barrier, which is an honorable mission, and supporting the democratic system of government with the king at the head so that it advances.

Paper Compares May Killings to Tiananmen
92SE0284B Bangkok MATICHON in Thai 5
Jun 92 p 8

[Editorial: "Remember Tiananmen"]

[Excerpts] 4 June is the third anniversary of the bloody events of Tiananmen in Beijing. On 4 June 1989, the Communist Government of China ordered troops to barbarically suppress the Chinese students and people who were demonstrating for democracy. [passage omitted]

The bloody suppression of the demonstrators at Tiananmen should be remembered. That should be a lesson to national leaders or those who want to become leaders. It should teach them that maintaining power through the bloody suppression of political demonstrators is a base and barbaric method. The world will not accept such methods. The use of armed military forces to suppress the people of the country is unforgivable, because the duty of the military is not to kill the people of country. [passage omitted]

The lesson of Tiananmen is one of the examples of the world. The people there were demonstrating for democracy. That is a lesson that teaches those in power or those who want administrative power that they must listen to the people and respond to the wishes of the people. What the Chinese people want is the right to elect their leaders and administrators. They don't want the Communist Party to monopolize power. They want other political parties to be able to compete for power freely so that the people will obtain something better as a result of this free political competition.

The same is true of the terrible May events along Ratchadamnoen Avenue. The people wanted a leader who had come to power properly in a moral way. [passage omitted]

MILITARY

Military Reaction to Public Condemnation of Acts

Provincial Politicization, Reaction

92SE0287A Bangkok MATICHON in Thai
6 Jun 92 pp 1, 22

[Excerpt] [passage omitted] Nan Soldier Complained Daughter Admonished

Sergeant Bandit Thapthong, with a group of families of enlisted soldiers from the Suriyaphong Military Camp, lodged a complaint with the MATICHON reporter in Nan that a teacher at a girls' school in Nan showed a videotape of "Bloody May" to students. His daughter was among the students watching the video. After the tape, the teacher asked if any students were soldiers' daughters, at which time his daughter along with a group of others raised their hands. The teacher then asked them whose side they would take. The students replied that they were soldiers' daughters, therefore, they would take the soldiers' side. After that, the teacher as well as the other students, started admonishing the soldiers' daughters. His daughter felt ashamed and she told him about the incident.

Sergeant Bandit Thapthong said that he informed the commander of the 10th Cavalry Battalion Nan about the incident. There was ultimately a meeting between the teacher and the commander at which time they came to an understanding.

High ranking sources from the Suriyaphong Military Camp Nan revealed that the camp received complaints from soldiers, one whose car suffered some damage when his windshield was shattered by an angry person. Later investigation found out that it was a personal matter. Concerning the incident in the school, the military understands that the people were horrified after watching the video. The soldiers were ordered to be patient and to keep a stiff upper lip. He could not make any comments concerning the other military units in Nan, for example, the 10th and 15th Cavalry Battalions and the 416th Air Unit, because they are under the Air Force command. However, he would like everyone to take His Majesty the King's speech to heart and learn to unite, and hope that the situation will improve and return to normal.

Nan's Governor Appealed To Stop Criticism

Nan's Governor Amnuai Yotphet said that he did not want what happened in a school in Nan to cause a misunderstanding between soldiers and civilians. He thought it best to let it pass. Both sides had better wait for the results of the investigation by the committee appointed by the government. The people who were not in the incident should stop offering any criticism. He asked that both sides let the matter drop. He fervently hoped that the incident would not cause a rift among the people in Nan.

Later, Sergeant Bandit Thapthong said that although he was personally upset with what happened in the school, he wanted it to end. He was afraid that his daughter would suffer if he said anything more. He said that low-ranking soldiers should not be blamed for what happened to the country because they had to follow orders, even if the orders were to die. He knew the pro-democracy protestors' history well. He cited the example of At Carabao, who fought the soldiers at Nam Chang Village, Boklua Subdistrict, Nan Province, following the 6 October 1976's incident. [passage omitted]

Further Report on Reaction

92SE0287B Bangkok MATICHON in Thai
4 Jun 92 pp 1, 19

[Excerpt] [passage omitted] Defense Permanent Secretary Memo

The Ministry of Defense reported that on 29 May, Major General Somphong Kiatnarongrop, attached to the Office of Policy and Defense Strategy, in his capacity as a head of the group that follows political situations, wrote a memo to General Wanchai Ruangtrakun, the minister of defense, on how to correct the image of the Chulachomklao Royal Military Academy (CRMA), and of the military establishment.

The memo pointed out that the Politics Monitoring Group received a letter from a group of officers in the Armed

Forces, signed "Younger CRMA Graduates", that addressed CRMA graduates of all senior classes. The letter recommended ways to correct the image of both the CRMA as an institution and the military establishment. Important points have been summarized and recommended to be submitted to heads of every office directly reporting to the Office of the Defense Permanent Secretary. The points are as follow.

1. Senior CRMA graduates should be courageous enough to resign from their posts and exile themselves overseas.
2. To conduct an investigation on wrongdoers, who are commanders of troops who undertook operations that killed people on 19-20 May.
3. To reveal information concerning the real death toll as well as the site where bodies have been hidden.
4. The Armed Forces must come forward to apologize to the public as soon as possible.
5. Let the military stop taking part in politics.

The report said that after receiving the memo, General Wanchai Ruangtrakun ordered it passed on as recommended to heads of every office under the Office of the Defense Permanent Secretary.

Major General Ampon Tumthong, secretary of the Office of Defense Permanent Secretary, stated that the Defense permanent secretary established an ad hoc committee to monitor the political situation during the unrest, but it was abolished. The memo exists, but it is a routine brief submitted to superiors.

Major General Ampon Tumthong revealed that the subject in the memo was summarized from a leaflet, allegedly faxed from Surasak Montri Military Camp Lampang, dated 23 May 1992. It is not known who sent it from where.

The report said that a leaflet signed "Younger CRMA Graduates" has been circulated to various military units as well as to all mass media. [passage omitted]

4th Army Defensiveness

92SE0287C Bangkok MATICHON in Thai

4 Jun 92 pp 1, 19

[Excerpt] [passage omitted] No Sale of Formaldehyde to Military

At 0930 on 4 June, a meeting of heads of government offices was held at Phatthalung Province town hall to coordinate the project of the Sirikit Wood Lot to commemorate the Queen's 60th birthday, chaired by Sunthon Sisattana, Phatthalung deputy governor. At one point in the meeting, Lieutenant Colonel Chaloem Tangbunchu, deputy commander of the Mechanical Unit of the 402d Battalion, Aphai Borirak Military Camp Phatthalung, said that the 4th Army Region appointed him to inform the heads of government offices in Phatthalung on the bloody incident between 19-20 May. The 4th Army Region wanted it understood that it did not take any part in the suppression of the public. Nevertheless, the soldiers in the Army have to suffer the effects of the incident. He related an incident on 30 May, when an officer died in Maisiap Village, Cha-uat District, Nakhon Sithammarat Province.

The military took his body to the Phatthalung Hospital to dress up the body. The hospital personnel refused to attend to his injuries, accusing the military of murdering the people. The hospital also refused when asked only to use its facilities. They also denied having formaldehyde to inject the corpse, telling the military to buy their own.

Lieutenant Colonel Chaloem Tangbunchu continued that many educational institutions are reluctant to admit the children of military families. The soldiers on duty nowadays are demoralized and discouraged because of public hostility. Therefore, he asked that the public be sympathetic to the military.

Sunthon Sisattana, added that the people should sympathize with the soldiers in the 4th Army Region. The military has always assisted the people and laid down their lives for the country. Even through this incident, the deputy governor asked the soldiers and civilians to reconcile and try to solve problems and to correct the soldiers' image.

Nong Khai Doctors Petition for Punishment

On 4 June a group of 159 doctors, nurses, and public health personnel in Nong Khai, led by Siriwat Thiptharadon, M.D., sent a petition to the acting prime minister, the president of parliament, concerning an incident at the Ratchadamnern Avenue between 17-20 May. The petition stated that as medical professionals, they believe that although General Suchinda Khraprayun resigned as prime minister, the others who are responsible for orders for killing people, in particular, the Capital Security Command director, and the minister of interior, have not come forward to take responsibility. Moreover, they believe the whole Cabinet did not act properly in defending the people and solving the problem. Politicians of the five party coalition have destroyed the people's confidence in them, in their moral judgement. They are not equipped to form the government to administer the country.

A group of doctors, nurses, and public health personnel demanded that a person who ordered the killings of the people, doctors, and nurses who were on the scene to help the injured, be legally punished. Secondly, that security insurance be provided for all doctors, nurses, and public health personnel on hand to help people at every rally. Finally, the parliament is to be dissolved after the amendment of the Constitution to return the power to the people, so that they can elect new members of parliament.

Korat Businessmen Protest

The report from Korat is that a group of provincial businessmen distributed a statement dated 3 June to several government offices as well as the private sector within the province. The statement said that the businessmen are very confused by the current situation. It has directly effected business and caused incalculable damage. All the destruction to business has been caused by only a certain group. Therefore, the businessmen ask any academics who have come out and taken part in politics, to

stop their activities. Academics do not suffer the consequences the way businessmen and their families do. [passage omitted]

Reserve Program's Grassroots Political Ends

92SE0252A Bangkok KHAO THAHAN BOK [ARMY NEWS] in Thai 11 May 92 p 7

[Excerpts] The National Security Reserve Program was conceived by His Excellency General Prem Tinsulanon in 1981 when he held the position of prime minister. [passage omitted]

After his initial idea General Prem ordered the Ministry of Defense to have the Army consider putting this program into effect quickly. It was to be called, "the National Security Reserve Program" or the "KNCh Program." The details of this program are summarized below:

Policy: To use reservists as the leadership core in setting up a mass organization in democratic form for people living in villages.

Purpose: To have this reservist organization play a role in increasing national security in various areas such as:

1. In politics: To encourage reservists to take part in local administrations and to foster political ideals among the people, which would provide a grassroots for developing a democratic system with a king as its head and would act to block all other systems.

2. In economics: To encourage employment and to raise the living standard of the people living in villages. This would help the economic base of the people meet the goals of the National Plan for Economic and Social Development.

3. In society and psychology: To encourage the beautiful Thai religion, customs and culture, to encourage discipline and unity, and to foster an appreciation of moral values and responsibility toward the community in local society.

4. In the military: To have reservists and those registered for service join together as a group to maintain security in the localities, support the intelligence operations of the military units and government units in their area, and to support the selection process for those registering for military service, for those being called up, and for those being mobilized.

Operations to carry out specific policies and objectives were organized in a program as follows:

The operations committee set up a committee called, "the National Security Reserve Committee" or, as it was abbreviated, "the KNCh Committee." It had the following levels:

1. The national committee (the KNCh. Committee) had the commander of the RTA [Royal Thai Army] as its chairman, the deputy commander of the RTA as its vice-chairman, and the commanders of First, Second and Third Army Regions and representatives of other government organizations as members, such as the head of the Land Conservation Department, the director of the Veterans Assistance Organization, the deputy head of the

Office of the Prime Minister, and undersecretaries and deputy bureau chiefs who were involved. The assistant Army chief of staff for civilian affairs was a member as well as secretary. The head of the Army Civilian Affairs Department and the head of the Army Reserve Affairs Department were members and assistant secretaries.

2. The regional committees (KNCh.Ph.) had the Army region commanders as their chairmen and the deputy army region commanders as their vice-chairmen. The heads of the government units in the area, including civilian units, police units and military units, were members. For example the provincial governors of all the provinces, the commanders of military circles, and the commanders of provinces were members.

3. The provincial committees (KNCh.Ch.) had the province governors as chairmen and the provincial conscription registrars as members and secretaries.

4. The district-level committees (KNCh.O.) were considered to be very important because operations at this level were closest to the reservists and those registered for service. The district head was the chairman. The important members included the chairman of the council of subdistricts and the heads of various groups such as the Village Scouts and the Thai National Defense Volunteers etc. The district conscription registrars were members and secretaries.

In order to have the reservists play an important role for the government both with regard to national security and village development in the countryside a coordination center was set up as a permanent unit to act as the office of the secretary for the National Security Reserve Committee, and this was called, "the National Reserve Coordination Center" which was abbreviated "SKNCh." At present this unit is affiliated with the RTA, but it is assigned to the Domestic Security Division (KO.RMN.). It has an office at the Thewet Army Association in Bangkok. In order allow the program's work to proceed smoothly KNCh. Committee offices were set up at various levels from the regional level (SNG.KNCh.Ph.) to the district level (SNG.KNCh.O.).

The KNCh. has three types of members:

1. Ordinary members include those who have been commissioned officers or non-commissioned officers from Lance Corporal up, and active duty privates or those who have served both inside and outside the country and have applied for membership.

2. Special members include those who have registered for military service, reservists of the second category, those who left government service of the second category, and family members and relatives who are at least 15 years old and who have applied for membership.

3. Honorary members include those who have benefitted society and the reserves, or qualified persons for whom the reservists have asked permission to join from the chairman

of the National Security Reserve Committee at the district or province level (KNCh.O. or KNCh.Ch.)

Those members are released who leave the organization, die, are imprisoned for crimes, have engaged in inappropriate behavior, or violate the rules of the organization.

The initial stage in setting up a reserve organization is public relations, accepting applications and training (this takes about five days). The final stage is choosing a committee to run the organization.

The National Security Reserve organization has four levels as follows:

1. The reserve organization at the village level has a leader who is a member with the title, "the commander of the village reservists" or "PhB.B." He is elected or appointed if an election cannot be held. The members are from various spheres including the political, the economic, the social and psychological, the military and support groups.
2. The reserve organization at the subdistrict level has a leader who is a member with the title, "the commander of the subdistrict reservists" or "PhB.T." He is elected from among the PhB.B. Its members are from the same spheres as at the village level.
3. The reserve organization at the district level has a leader who is a member with the title, "the commander of the district reservists" or "PhB.O." He is elected from among the PhB.T. Its members are from the same spheres as at the subdistrict level.
4. The reserve organization at the province level has a leader who is a member with the title, "the commander of the province reservists" or "PhB.Ch." He is elected from among the PhB.O. Its members are from the same spheres as at the district level.

At present the National Security Reserve Program has 630,504 members throughout the country who have received training. Of these 504,810 are male and 98,681 are female. They come primarily from the reserves and those registered for service. Among these are included many former members of the "Thahan Phran Irregulars." These Thahan Phran Irregulars are all members who are qualified because they received the basic training for the Thahan Phran Irregulars and have many years experience in service to the nation both in the struggle to defeat the communists and in defending the country. In addition they have knowledge in other areas concerning the requirements of life derived from participation in development programs such as the Development Program for Security, the royal development programs and other development programs. This experience was an important factor in allowing the Thahan Phran Irregulars to become valuable assets. This can be seen in the large numbers of former Thahan Phran Irregulars who have applied to become members of the National Security Reserve and have been chosen to be leaders or to be program administrators at the village level, subdistrict level and district level in various provinces throughout the country. [passage omitted]

Reports of Splits, Unrest in Military

Officers' Letter Published, Analyzed

92SE0285A Bangkok MATICHON in Thai
5 Jun 92 pp 1, 20

[Text] In his capacity as the head of the committee to monitor the political situation, Major General Somphong Kietinarong, an officer attached to the Office of Policy and Planning, Ministry of Defense, submitted a memorandum to Gen. Wanchai Ruangtrakun, the under secretary of defense, concerning a group of soldiers who are known as "Junior CRMA [Chulachomklao Royal Military Academy] Class Officers to all Senior Class Officers" suggesting ways to improve the image of CRMA and the military in the wake of the "terrible May" events.

This has greatly interested people both in and outside the military. Questions have been asked about the "original" letter sent to MATICHON, because everyone wants to know what junior officers think of their superiors. Because people are so interested in this, MATICHON must respond. The following is the text of the letter written by the "Junior CRMA Class Officers to All Senior Class Officers":

Surasak Montri Camp

Lampang Province 52000

23 May 1992

Subject: Improving the Image of CRMA and the Military.

To: Senior CRMA class officers.

In view of the fact that the events of 18-20 May had a very negative effect on our beloved military, people in general (almost everyone) detests the military, which is unprecedented. In the provinces, such as Lampang and Chiang Mai, where my colleagues and I work, we have to dress in civilian clothes when we leave the base. Because if the people find out that we are soldiers, they will often curse us. Many restaurants and shops refuse to serve soldiers, calling us "killers." I am very upset about this. Our reputation and honor, which we had had for so long, has disappeared overnight. The uniform of which we were so proud is now like a sign of shame.

You are probably facing the same problems as us, and things may be even worse where you are. The Thai military has never sunk so low. It has reached the point where I and many others are considering resigning from the military and looking for another job even though we love the military. This stems from the killings that took place along Ratchadamoen Avenue and the effort to suppress the news and destroy the evidence, that is, the bodies of those killed. Because of this, there have been many rumors, which the people believe. People in general say that as many as 4,000 people were killed. Because of this, they detest soldiers.

We have discussed this and looked for ways to improve the military's tarnished image. We ask that you consider the following proposals:

1. What happened stemmed primarily from orders issued by senior members of CRMA Class 5, such as Phi Su [Gen. Suchinda], Phi Tui [Gen. Isaraphong], and Phi Te [Air Chief Marshal Kaset]. All of us respect these people. But as a result of these events, which have done great damage to the military, we feel that these men should resign their positions and leave the country in order to avoid the charges that will be leveled.

2. Those who made mistakes, that is, the commanders of the forces that killed people during the period 18-20 May, should be investigated. We watched television reports transmitted by satellite and clearly saw soldiers firing into the crowd. We saw the path of the bullets and were shocked to see soldiers shooting unarmed people. Those who did that must have had some ulterior motive that caused them to use every means possible to keep the senior members of CRMA Class 5 in power. We know who they are. Unless an investigation is conducted to find these wrongdoers, the people will continue to hate the military and they will continue to view all soldiers as enemies.

Actually, something like this happened before when the military used force to suppress the people. The effect of that was the growth of the Communist Party of Thailand. Many members of CRMA lost their lives. These events would definitely have led to a great upheaval if this had continued and the people had taken up arms and formed an armed force or units from other regions had split away and started fighting other military units. What happened in Cambodia 10 years ago could have happened in our beloved Thailand. It was the king, who is revered by all, who brought the crisis to an end.

3. The actual number of people killed and where they are buried must be revealed. Keeping these things a secret will just cause further damage, because the people will believe the rumors and hate us even more. Thais believe in showing respect to the dead. The bodies must be recovered so that religious ceremonies can be held.

4. The military must apologize to the people as soon as possible. Soldiers must act like men. People who are bold enough to act must be bold enough to accept the consequences. If someone has done something wrong, he must accept the consequences.

5. We hope that all of you will stop interfering in politics in order to redeem the sins of CRMA classes 1, 5, and 7. We, who are members of CRMA classes 15-20, vow that when we reach the top of our professional careers, we will not interfere in politics. What happened recently will serve as a lesson. The good reputation that Phi Su built over the past 40 years was ruined overnight. He is now damned by people throughout the country and may be forced into exile.

Based on these five points, we hope that you will consider things carefully in order to find a way to solve the problems and restore the honor and reputation of our beloved military and CRMA.

Sincerely,

Junior members of CRMA who are shocked and saddened

Officers' Letter Reported to Command

92SE0285B Bangkok NAE0 NA in Thai 4 Jun 92 p 1

[Text] Extremely Urgent Memorandum

Unit: Committee to Monitor the Situation

No. 1207/149

Dated: 29 May 1992

Subject: Ways To Improve the Image of CRMA and the Military

To: The under secretary of defense

The committee to monitor the situation has received a document from a group of soldiers who call themselves the "Junior CRMA Officers to All Senior CRMA Officers." This letter suggests ways to improve the image of CRMA and the military. The letter can be summarized as follows:

1. Senior officer should show their spirit by resigning their positions and leaving the country.

2. Those who made mistakes should be investigated. This includes the commanders of the troops who fired on people during the period 18-20 May.

3. The number of people killed and the locations of their bodies should be revealed.

4. The military must apologize to the people as soon as possible.

5. Soldiers should resolutely stop interfering in politics.

This is for your information. The head of [illegible] should be informed, too.

Signed: Major General Somphong Kietinarong, head of the committee to investigate the situation

Noted Action taken

Signed: Gen. Wanchai Ruangtrakun, under secretary of defense

29 May 1992

Military Attitudes Reported

92SE0285C Bangkok KHA0 PH1SET in Thai
29 May 92-4 Jun 92 pp 31, 32

[Article by Uaiphon Taechutrakun]

[Text] After the shooting first started, many people said that "this is the beginning of a defeat for the military." What happened is now becoming clear. A lieutenant general who serves as the director of the Information Office, Supreme Command, Lieutenant General Anuson Krutsanaserani, issued a statement on 22 May. With tears in his eyes, he said that "as the spokesman for the military, I would like to say that the military has suffered a terrible psychological blow. Thus, I would like to ask the mass media and the people to stop opposing the military. Soldiers must take off their uniforms."

People's negative view of soldiers grew worse following the terrible May events. The picture of people armed only with

plastic water bottles fighting well-armed soldiers has become so deeply embedded in the minds of people that soldiers in uniform have been physically attacked in an indiscriminate manner. Thus, all branches of service have issued an order authorizing soldiers to wear casual clothing while on duty. All soldiers have been told to be careful when traveling. This is causing great problems for more than 60 percent of the officers who were not involved. Some officers have said that in the wake of what happened, the military is "going through a period of great upheaval" because of the actions of just one group.

"I feel empty and don't want to put on my uniform. We have no prestige. This has been very depressing. The morale of the military has been greatly damaged. Prior to this, we were respected and accepted by the people of the country. They viewed us as national heroes. But now, they treat us like strangers. I don't want to wear my uniform or let people see me in uniform," said a lieutenant colonel to KHAO PHISET after going to work dressed in casual clothing. He had packed his uniform in a bag and carried it with him. And he was very wary of the people around him. The same was true of a military commander who was on duty along Ratchadamnoen Avenue on the orders of his superiors before the troops were withdrawn. People there screamed at them, "We don't want you. You can all go to hell." That was because the armed troops that he commanded had to confront a crowd of people, most of whom were unarmed. The pressure stemming from what he did in carrying out his orders has inflicted a deep psychological wound.

The number of soldiers who have been physically assaulted has increased steadily since the first shots were fired. But none of these people instigated this. They are suffering because of the actions taken by just one group. Instead of conferring honor, wearing a military uniform now poses a danger.

"We have received reports stating that an officer subordinate to the Army Directorate of Operations was wounded by men on four motorcycles near the Kasetsat University intersection. People there just stood and watched. And a sergeant from the 4th Cavalry Battalion was beaten up at Saphan Khwai. An Air Force water truck that was distributing water to people was burned and destroyed, and the driver was beaten and his arm broken," reported an officer about how the people are expressing their anger. He concluded by saying that "it's very sad that all of us have to suffer because of the actions taken by the commander."

In the past, many soldiers hung military uniforms in their cars. But now, they have had to change their method. That is, they can no longer hang uniforms in their cars. If they want to hang a uniform, they have to find something to conceal it. Otherwise, that could be very dangerous. Their car could be attacked. Also, when they walk along the street, they have to face the resentful and angry looks of the people around them. Every time a military vehicle drives along the street, people shout curses at the soldiers in it. This is particularly true if they encounter someone on a hired motorcycle, whom soldiers used to denounce as bandits who should be violently suppressed.

Many officers who had nothing to do with this have been hurt deeply. More and more officers are asking to be treated fairly by the people and demanding that their superior officers do something to restore the reputation and honor of the military. In particular, more and more such demands are being made by officers at the Army Command and General Staff College. "We ask that superior officers reconsider their own actions and the search for the names of those officers who disagree with their actions. The activists behind this are at the Army Command and General Staff College," said one of the faculty members there to KHAO PHISET about the movement that has arisen in military circles. At a meeting at that school, which Maj. Choetwut Khraprayun, the son of Gen. Suchinda Khraprayun, is attending, a major got up and said, "Give my Army back."

A demand that is arising among soldiers and that was passed on to KHAO PHISET is: "We demand that those responsible for what happened leave the country. Those people must take responsibility for their actions. In particular, all top army commanders must resign their positions. No member of Class 5 should be allowed to command troops. For commanders, we want capable people who are honest, who have seniority, and who will not try to build a power base."

The violence against soldiers dressed in uniform is increasing, which is very similar to what happened following the events of 14 October 1973. That is, on 15 October, you could not find an officer in uniform walking on the street. Even the traffic police disappeared and did not go to work. Only volunteers and boy scouts tried to direct traffic and facilitate things at various intersections. On the night of 24 May, someone shot and wounded a reporter in front of the entryway to Gate 6 at Dong Muang. In the wake of that incident, one senior person told KHAO PHISET that "that is the beginning of 'retaliatory activities' by certain junior officers who are resentful about how their superiors are being treated and who want to protect their superiors and defend the honor of the military. They also want to get revenge for their comrades who have been harmed." As for the person behind this, a news source said that attention is being focused on the "head of Don Muang." It's said that he is the key man in these "retaliatory activities." This is a warning to the activists among the people who want democracy, a warning to be careful. They face retaliation from this group of junior officers. This applies to all reporters. Some reports have stated that this is a "plan within a plan" aimed at a new round of espionage by certain "former senior officers" who are spoiling for a fight with today's military leaders.

The people's loss of faith in the military and the loss of faith among soldiers in their own institution have greatly damaged the military. Amidst this concern in an institution that once enjoyed great prestige, one army general said that "this is the Army's fate, a fate that we are reaping as a result of our own actions." No one knows how much longer it will be before soldiers who had nothing to do with this will again be able to wear their uniform with pride.

General Wanchai Comments on Officers' Letter
92SE0285D Bangkok MATICHON in Thai 7 Jun 92
pp 1, 24

[Excerpts] [passage omitted] General Wanchai Ruangtrakun, the under secretary of defense, was interviewed on 6 June in Nakhon Ratchasima Province about the matter of officers from CRMA classes 15-20 writing a letter of protest to the under secretary of defense, the contents of which were disseminated in a leaflet titled "From Junior CRMA Officers to Senior CRMA officers" and which could cause a split within the military. He said that this matter is now being investigated. The Ministry of Defense has formed an investigation committee and stipulated that the investigation must be completed within 30 days. The committee will summarize its findings and send them to him for further action.

"I don't want to say very much about this, because I am afraid that that might inflame the situation. Also, I am an officer who is approaching the age of retirement. I don't want to get into a fight with anyone," said the under secretary of defense.

The reporter asked, in view of the fact that you are a member of a senior CRMA class, how do you feel about the conflict between officers from junior and senior classes and about the fact that the military is coming under heavy criticism? Gen. Wanchai said that "this depends on what people say. Let's let time tell." The reporter asked him if he had met with Gen. Suchinda after the bloody events. Gen. Wanchai said that he has not met Gen. Suchinda since those events. He said that he does not know where he is and that he is concerned. [passage omitted]

A report from the army stated that activists from CRMA classes 15-20 are trying to find out who distributed those leaflets and what their real purpose was. Based on initial assumptions, the activists of CRMA classes 15-20 think that the person behind these leaflets is a former general who once served in the north.

The report also said that besides CRMA classes 15-20, which sent a letter of protest to Gen. Wanchai, there is now a nationwide movement underway among officers at the level of regimental and battalion commanders, most of whom are members of CRMA classes 21-23. They, too, want to send a letter of protest to Gen. Wanchai. Their letter will stress the matter of the Office of the Under Secretary of Defense involving the military in external political matters.

Sources on Splits in Capital Security Command
92SE0285E Bangkok KHAO PHISSET in Thai
29 May 92-4 Jun 92 pp 27, 28

[Excerpts] The Capital Security Command, or CSC, in the 1st Army Region, which is headed by Gen Isaraphong Nunphakdi by virtue of his position as RTA CINC [Royal Thai Army Commander in Chief], was the real "headquarters" of the government and military during the "bloody May" operation. It carried on operations on the orders of the National Internal Peacekeeping Command, which

were signed by Air Chief Marshal Kaset Rotchananin, the supreme commander and RTAF CINC. Only those with "orders" to enter the CSC headquarters were allowed in. [passage omitted]

Civilians in the forefront include Thinphan Nakhata, the minister attached to the office of the Prime Minister and the political counselor to CRMA Class 5, and Sit Chaiyathongphan, a former academic with the ISOC [Internal Security Operations Command] and the acting director-general of the Welfare and Labor Protection Department.

Here, there are both "hawks" and "doves," or to put it simply, those who approve of the use of "resolute military measures" and those who feel that using "political measures" will achieve more. But in the wake of the events of 17-19 May, it can be said that among the hawks and doves who hopped about above the CSC, it is now "difficult" to determine to which camp people belong.

A senior news source in the army who was "ordered" to participate in the discussions at the Capital Security Command said that during the period 17-19 May, the situation at the Capital Security Command was very tense. He said that there was "astonishment" among those participating in the discussions and that certain information was "withheld." He said that "on the night of 18 May, some people returned and held their heads in their hands. Others sat and cried. But several senior people closed the door and discussed plans before sending orders to people in the field."

One of the problems encountered was that among the troops stationed along Ratchadamnoen Avenue from a peak of more than 10,000 in Bangkok, there were soldiers from many different units who had different feelings and views about the crowd of people. Some units wanted to "advance" while others wanted to "reduce the losses."

It has been charged that the units that took violent action against the people were the units stationed along the road from in front of the Department of Public Welfare to the Lottery Division. It's said that these units included units from the RTAF [Royal Thai Air Force] Security Force, thahan phran irregulars, units from the 9th Division, Border Patrol Police, and units from the 1st Division, the 1st Military Circle, and the 11th Infantry Regiment.

A news source in the Capital Security Command claims that from the moment of great crisis on the night of 18 May until dawn on 19 May, the commanders of "some units" ordered their men to shoot to kill if anything happened. "To shoot to kill" is a military phrase that was interpreted to mean, don't shoot into the air any more.

The first explanation given to KHAO PHISSET by Colonel Banchon Chawalasin, the assistant army secretary, was: "Initially, preparations were made to use tear gas, but unfortunately for everyone, at that time the wind was blowing in the direction of the soldiers and police. If tear gas had been fired, the people affected would have been the soldiers and police and not the mob. As for using nightsticks, there simply weren't enough. And our military and riot units had not readied rubber bullets. Thus, we did not

have the equipment needed. Such equipment had been readied during the time of Gen. Athit Kamlang-ek, but now it's all gone."

A major who was in command of some "novices" who were ordered to carry on operations said that he was first ordered to shoot in the air. But as the crowd grew in size, troops began firing lower in order to protect themselves even though they didn't want to do that. He admitted that the crowd scared him. That major also said that 90 percent of the raw troops, who made up the bulk of those participating in this operation, did not want to open fire on the people. But there were about 10 percent who "did not like the look" of the mob, viewing them as troublemakers who were destroying property and as bad people.

A colonel said that the violence on the night of 18 May started when people burned an air force supply vehicle. He said that air force personnel felt that that was an attack on the honor of the air force. "Food and medicines were thrown all over the place." He also said that the troops were trying to protect themselves from the gasoline and oil trucks that people in the crowd had driven into the middle of Ratchadamnoen Avenue before throwing things. Also, it had been learned that in the crowd were a large number of "people with bad intentions" toward the country. It was impossible to tell who was who. [passage omitted]

Suchinda Spouse Asks Monk To Cast Spell, Change Nickname

92SE0277A Bangkok *THE NATION* in English
6 Jun 92 p a3

[Text] Figuring that the name "Suchinda" was a jinx for the ousted prime minister, Khunying Wannee Kraprayoon has had it changed by a well-known Buddhist monk, a Thai-language daily reported yesterday.

But the name change was carried out only in an astrological ritual by the monk at Wat Bororniweswiharn, which means the general is still legally "Suchinda," MATICHON said.

The paper quoted an unidentified monk as saying that Wannee met Phrakru Paritkosol at the temple last week and asked him to look into her husband's astrological chart and find a way for him to get around his run of bad luck. Phrakru is a religious title for senior monk.

The phrakru, who is over 70 years old, then suggested the change of name, according to the monastic source.

During the ritual, Wannee was asked to write the name "Suchinda" on a piece of paper. The phrakru then erased it while casting a spell to ward off more bad luck for the ex-prime minister, the source said.

The senior monk then wrote on the paper the name "Phumichai" which he thought would go well with Suchinda's astrological sign and deflect a new round of bad luck, according to the source. Phumichai could be translated as "point of victory".

Phrakru Paritkosol is well-known among leading businessmen, senior military officers and politicians who often

seek his advice on their fortune, the source said, adding that the phrakru's regular visitors include Field Marshal Thanom Kittikachorn, the former dictator who was ousted in 1973 by the pro-democracy student uprising of that time.

He said the news of Suchinda's change of name was now widely known among the businessmen who were lay followers of the phrakru.

ECONOMIC

Association Leader Agrees on Copyright Law Change

92SE0293C Bangkok *NAEO NA (LOK THURAKIT SUPPLEMENT)* in Thai 30 May 92 p 7

[Text] Mr. Chawalit Atthasat, the president of the Trademark and Copyright Association, said that the Copyright Law can be revised again even though it has already been revised once before. The reason for revising it this time has nothing to do with pressure from the United States. We have to revise it again in the interests of the country.

This will have to be discussed in detail to see if it is worth it. Even if this is made retroactive, one of the things left undone by the drug patent committee is something that the United States is unhappy about.

Mr. Chawalit said that he feels that the drug patent revisions made last time were in accord with universal principles. Many inventors both here and abroad have expressed a great interest. They have made requests through the association, asking for advice and asking to use services. As a result, the association's membership has increased to 180 people.

"As I said earlier, we are not revising the copyright act because of any pressure from the United States but because this is in our interest."

Japanese Demand for Mold, Die Products

92SE0279A Bangkok *BANGKOK POST (BUSINESS POST)* in English 14 May 92 p 17

[Text] The country's mould and die industry is expected to grow significantly as there is a huge demand from the Japanese market, and a number of industries which use mould are expected to set up in Thailand, according to Department of Industrial Promotion Director General, Pisarn Kongsamran.

He said mould industry exports have risen from 164 million baht in 1988, to 383 million baht in the first ten months of 1991. Japan is the largest market, followed by Malaysia, Indonesia, Hong Kong and Singapore.

He noted that most mould products manufactured here have gone to Japan, because the two countries have had a number of joint printing investment projects during the past four to five years.

Japan's huge investment in Thailand is a sign that its moving its mould industry out of Japan and into countries with more favourable information environments.

Mr Pisarn said: "I believe in the near future, Japan will seek more joint venture partners in various countries where they can establish industries."

Besides the exports, Mr Pisarn said Thailand also heavily imports machines to produce mould and die equipment for many local industries, including the electronics and auto parts industries. Most of these firms received promotional privileges from the Board of Investment.

During the three years, 1988-1990, mould imports amounted to 1,659 million baht, 2,632 million baht and 3,423 million baht respectively. And during the first 10 months of 1991, they amounted to 2,911 million baht, mostly imported from Japan, Taiwan, Hong Kong and the USA.

Meanwhile, the Reed Tradex Co. Managing Director, Preecha Sananwatanant announced that there would be about 150 companies from 15 countries participating in Thailand's first international mould and die technology exhibition.

The fair will be held jointly by the Thai Tool and Die Industry Forum, Department of Industrial Promotion, and Reed Tradex Co., during May 16- 19 at Bangkok International Exposition Center, Central Plaza.

The objective of the exhibition is to offer modern technology and machinery to local mould manufacturers.

There will be technical seminars on, "Trends of Manufacturing Technology in the Mould Industry" and, "Inter Mould Thailand '92", also.

Photo [not reproduced] shows the new Hartford Hv-50S distributed by N.R. Automation which will be demonstrated at the show.

Civil Aviation Plans Cambodia Talks

92SE0293D Bangkok NAO NA (LOK THURAKIT SUPPLEMENT) in Thai 5 Jun 92 p 7

[Excerpt] Mr. Sisuk Chantharangs, the director-general of the Department of Aviation, said that at the end of June, he will travel to Cambodia to hold government-to-government talks about aviation rights. The past talks were held between the Thai Airways Company and Cambodia. During those talks, it was agreed that each country would be allowed 17 flights a week.

With respect to Thailand, the Thai Airways Company has the right to fly seven flights a week. Rights to the other 10 flights belong to other airlines. Bangkok Airways has been using the rights to those 10 flights and the rights to the Thai Airways' seven flights, because Thai Airways is not yet flying there. This is because Thai Airways is a domestic airline. And at present, Cambodia is not ready to operate flights. But Cambodia has given S.K.R. Airlines and Singapore Airlines the right to fly to Thailand.

"Actually, the committee negotiating aviation rights stipulated that the details had to be worked out by the middle of May. But the negotiations had to be postponed because of the unrest in the country. As for this round of talks, Thailand will ask that the number of flights be increased to

21 per week, or three flights a day." As for constructing an airport in the country, this July, the Department of Aviation will hold bids on the construction of an airport in Ranong Province. A total of 400 million baht will be used for this. It is thought that construction will take about two years. This airport will be able to handle aircraft as large as 150-seat aircraft. [passage omitted]

Thai Military Bank Plans Vietnam, Cambodia Branches

92SE0248A Bangkok THE NATION in English 5 May 92 p B2

[Article by Vatchara Charoonsantikul, Jaruan Lertwinyu]

[Excerpt] Thai Military Bank will open one branch and one representative office in Vietnam and a branch each in Laos and Cambodia in a bid to establish a foothold in the Indochinese markets.

President Supachai Panitchpakdi told THE NATION that the representative office will be set up in Hanoi while the branch will be opened in Ho Chi Minh City, pending negotiations on the initial deposit sought by Vietnamese authorities.

The volume of transactions with respect to Vietnam processed during the past one or two years has risen by more than 50 per cent, though beginning with relatively small base figures. The bank's research and planning unit reported that about Bt3 billion [baht] worth of letters of credit and other trade-related funds were handled by the bank over the last 12 months.

Thai Military controls about 10 per cent of the total amount of business from Vietnam handled by commercial banks. Supachai said the bank cannot yet fix the exact date for opening the branch in Ho Chi Minh because negotiations with Vietnamese authorities are still under way with regard to the initial deposit which will have to be made by the bank.

Vietnam has sought a US\$15-million deposit but Thai Military wants the initial amount to be only US\$5 million, said informed sources. The amount can be increased depending on the growth of earnings generated by the branch. Supachai said there should be a conclusion on this matter shortly.

Thai Military has prepared acquisition of a site for the branch's opening and business plans for both branch and representative office operations.

In Cambodia, the bank will open a branch in Koh Kong. It will lease an office instead of buying one. The investment cost is around Bt2-3 million. Prakarn Tawisuwan, research and planning chief of the bank, said business is expected to grow when Thai baht is widely used. Although funds in Indochina are mainly in US dollar, the Thai unit will gain prominence in trade and investment due to the currency's stability and to geographical reasons.

Prakarn said the Vietnamese economy has shown signs of improvement with inflation declining from 487 per cent in

1986 to 300-308 per cent in 1987-88, and to only 76 per cent and 90 per cent in 1989 and 1990, respectively. Between 1986-90, Vietnam recorded a GNP growth respectively of 8.2 per cent, 5.4 per cent, 6.4 per cent, 2.2 per cent, and 1.4 per cent, while national income increased 3.4 per cent, 2.5 per cent, 5.8 per cent, 2.4 per cent, and 2.4 per cent. [passage omitted]

Fisheries Problems With Malaysia Continue

92SE0279C Bangkok *THE NATION* in English
4 Jun 92 p b3

[Article by Apisak Dhanasettakorn]

[Text] The Fisheries Department has asked Thai exporters of marine products and their trading partners in Malaysia to share the additional cost burden of Malaysia's five-fold increase in handling charges of fish exported from Thailand.

Plodprasop Suraswadi, director-general, said that Thai exporters and Malaysian importers of marine products should share the additional cost from the rise in handling charges, instead of letting Thai fishermen carry the burden alone.

The Fisheries Department has set up a working committee, chaired by Virawat Hongsakul—a specialist on fisheries—to work out the impact from, and solution to, the problems of the increase in handling charges of fish imported from Thailand. The option to ask the exporters and importers to share the burden is a part of the working committee's guidelines which received approval from the Fisheries Department.

On April 16 the Fisheries Development Authority of Malaysia imposed a five-fold increase in handling charges exported from Thailand to a maximum M\$5 per kilo, which it claimed was necessary to protect local fishermen from price stability and excess competition.

However, the levy has offset the price competitiveness of Thai marine products which are charged low or no fees at all under the bilateral memorandum of understanding.

Plodprasop said the increase would largely affect Thai fishermen in the south because a majority of 60-70 per cent of the total output in the south is exported to Malaysia and Singapore.

Some of Thai trawlers fishing in South China Sea and Andaman Sea also sell their marine products to Malaysia since the selling prices in Malaysia are better from those sold in Thailand.

About 110 Thai brokers have exported their outputs to Malaysia. In addition, a number of Malaysian merchandisers also come to buy marine products from Thai trawlers directly in Thailand. The trading activity of marine products does not require the letter of credit, and therefore, it is difficult to control the fish trading between Thailand and Malaysia. Most of the marine products, he said, pass the checkpoints of Sadao-Chang Loan checkpoint.

The export volume of marine products in the south from November last year to April this year is worth a monthly average of Bt.317 million [baht], or represents 12,867 tonnes a month.

Since Malaysia announced a rise in the handling charges. Thai trawlers seemed to be the sole party to suffer from the additional costs because they had to sell marine products at the lower price to offset the additional cost of Bt.80 per kilo. The Thai fish exporters seemed to benefit from the rise of levy imports as their revenue is expected to rise by Bt.131 million in 1992.

"Thai fish exporters have pushed down the price of marine products at least by Bt.1-Bt.3 per kilo as they have bought the marine products at a price lower by 21-29 per cent than the previous ones," he said.

The Fisheries Department, therefore, would urge the exporters to share the sufferings of the trawlers. The department recently sent a letter on the matter to the Chamber of Commerce in Songkhla province where there are 90 brokers selling marine products.

And to help alleviate the sufferings of Thai fishermen, the Fisheries Department has also formed a working committee to have dialogue with its Malaysian counterpart asking for the reduction in the levy on marine imports from Thailand and to hold talks to solve this issue at a meeting of the joint economic development committee between the two countries.

Thailand earlier postponed the joint development area programme with Malaysia as a means of retaliating against the rise of the levy on Thai marine product imports. However, the programme has recently been allowed to proceed.

And to help prevent the possible political pressure from Thai trawlers, the Fisheries Department, the Thai oceanic fisheries association and the government officials in charge of suppression in the south will cooperate to seek ways to reduce the production cost and to promote the marketing of marine products, the conclusion will be submitted to the national fisheries policy committee afterwards.

Canadian Skytrain Plan Canceled, New Bids Invited

BK0407012692 Bangkok *THE NATION* in English
4 Jul 92 pp A1, A2

[Text] Tha Lavalin skytrain project has collapsed following the government's rejection of requests for multi-million dollar loan and investment guarantees from two key members of the consortium.

In an effort to save the long-proposed skytrain project from being shelved completely, the government will call new bids and at the same time invite the Asia-Euro Consortium (AEC), the second-ranked bidder, to enter into new negotiations with it.

Both measures will be undertaken simultaneously in order to save time so the elevated train scheme can get underway as soon as possible, according to a Cabinet source.

The source said Prime Minister Anan Panyarachun decided a few days ago to order the Expressway and Rapid Transit Authority of Thailand (ETA) to terminate the tentative contract signed with Lavalin.

The premier believed too much time had been wasted and it was better to end the contract and find other investors for the Bt[baht]60 billion project which was first initiated more than two decades ago.

The source said it was not worth spending any more time with Lavalin since traffic problems in Bangkok, already at a critical point, were worsening daily.

In addition, the premier believed Lavalin's technology might not be able to cope with traffic growth in the next 40-50 years because the technology it was to employ was suitable only for light rail.

Anan indicated he also wanted private investors to hold more shares in the project. Lavalin had agreed to hold only five per cent of the equity, whereas the ETA would invest in 25 per cent.

The Cabinet will make a decision on measures to deal with the collapse of the Lavalin project on Tuesday, according to the source.

Last Thursday, the ETA declared the master concession agreement signed with Lavalin in February this year "null and void."

The declaration was made after Anan had discussed the delay facing Lavalin with ETA Governor Charan Burapharat. The premier was quoted as saying there should not be any further talks on Lavalin's new requests because more time would be wasted.

Lavalin could not meet obligations under a memo of understanding signed in February which stipulated a shareholders' agreement had to be signed before June 22. The deadline passed without the signing.

In addition, Lavalin proposed the Thai Government provide a guarantee for the C\$800 million loan which was to have been extended by the Export Development Corp (EDC) of Canada, even though the contract clearly states there would not be such a guarantee. Other sources said Thai laws do not allow the government to provide a guarantee either.

Bombardier, another key partner, also sought a guarantee on its investment should the contract be terminated or the project be suspended mid-way—a condition also rejected by the government.

Bombardier, of Canada, took over Urban Transit Development Co, also of Canada, in February this year and therefore had to invest in five per cent of the project's equity.

Sources said new negotiations with AEC are very likely since its offer was ranked as the second best in the 1988 bidding.

AEC was dropped in the final consideration because it had proposed that the government set up a company to buy

trains which would then be leased to the concessionaire to help reduce the huge financing costs.

This idea was proposed because AEC would mainly use commercial loans while its rival, Lavalin, had access to cheaper concessionary loans, mainly from the EDC.

This point is expected to be renegotiated to make the proposal more financially feasible. Wardley Capital Co and Siam Commercial Bank were then financial advisers of AEC.

Another group of investors, consisting of French and Thai firms, also took part in the last bidding but later pulled out of the race.

There is a possibility that the Italian-Thai Development Corp will join the AEC consortium to renegotiate with the government for the concession project.

ETA invited bids for the skytrain project in August 1987 and four groups submitted proposals on March 1, 1988. The ETA board accepted the Lavalin bid as the best in November the same year.

ETA also opened talks with AEC in September 1989 and three months later concluded the group's financial proposal was unacceptable.

In the meantime, Lavalin confirmed in writing that the EDC would provide the concession loan without a guarantee from the Thai Government.

In comparison with the other proposed mass transit schemes, the Lavalin project is regarded as being less attractive and the investor could face a loss due to there being less real estate development, and the fact that its routes span areas where traffic potential is less significant than, for instance, Tanayong Co routes.

The Hopewell project also has more potential to earn income from real estate development since 350 rai was given to the Hong Kong firm in return for its investment in the elevated train and highway project.

Industry Federation Supports AFTA Concept

92SE0279B Bangkok BANGKOK POST (BUSINESS POST) in English 2 Jun 92 pp 15, 24

[Text] The Thai private sector is still giving its full support to the ASEAN Free Trade Area (AFTA) scheme, Federation of Thai Industries president Chokchai Aksaranand said yesterday.

Although the political unrest may affect Thailand's decision on preferential tariffs on ASEAN's manufactured goods, the economy has not been harmed as much as was earlier feared, he said. The private sector is confident that Thailand's economic stability will enable it to go ahead with the AFTA scheme.

The private sector still says the government should urgently push forward the procedures of tariff reduction under the framework of AFTA, he said.

He conceded that the current political situation might delay considering the tariff cut in the goods for AFTA

scheme. He said he wants the new government to be formed as quickly as possible so that it can carry out this work.

The chairman of FTI's AFTA working group, Chavarat Charnvirakul, suggested that the first task of the next government is to cut import duties on raw materials. This would help Thai goods compete with other foreign imports under the AFTA scheme.

Thailand is ready to cut import duties on manufactured goods from ASEAN members, especially for items whose higher tariffs would be brought down to 30% as required by AFTA.

He said Thailand is ready to cut tariffs on imports for ASEAN under the "fast track" programme. The programme requires ASEAN members to cut the tariffs on imports early next year to 5% as the maximum rate.

The working group met on May 19 and resolved that it would hire a consultant to conduct a study of 15 manufactured goods under the AFTA scheme for their readiness to join the AFTA scheme as well as their future development. The study would take about 12-15 months.

Investment Promotion Not Effective for Upcountry Sites

92SE0248C Bangkok THE NATION in English
25 Apr 92 p b2

[Excerpt] The Board of Investment's [BoI] system of incentives to induce foreign investors to go outside Bangkok and its surrounding provinces seems to have been ineffective in promoting decentralization of industrial location.

Promoted companies continue to prefer Bangkok to other locations despite the preferential tax incentives the investment agency offers to investment projects in other provinces, according to a report submitted to the BoI.

The report was produced by a group of economists at the Thailand Development Research Institute (TDRI), an independent think-tank.

It is BoI's first attempt to assess the effectiveness of its investment promotion package and the effects of foreign direct investment in the country which has witnessed an investment boom in the second half of the 1980s.

The report points out that the preferential incentives that the investment agency provides fall short of having significant impact on foreign investors' decision concerning factory siting because of the greater shortcomings faced by proposed investment projects in other regions.

The shortcomings include deficiencies in infrastructure, market access, supporting industries as well as cost and convenience associated with the distance from relevant authorities regulating and servicing business activities.

Therefore, the role of foreign direct investment on the decentralization of industrial locations in Thailand has been limited. The BoI has provided additional incentives

including a longer period of tax exemption to induce promoted firms to locate their factories in regions outside Bangkok.

In 1989, the preferential margin of incentives was increased further by reducing incentives to promoted firms in Bangkok and the surrounding provinces.

Rising land prices in and around Bangkok play a more decisive role in forcing some investors to the outer rings of the capital to take advantage of regional preferential incentives; but they continue to remain as close as possible to Bangkok.

Foreign investment projects tend to concentrate in Zone I, according to the BoI classification which includes Bangkok, Nonthaburi, Pathum Thani, Nakhon Pathom, Samut Sakhon and Samut Prakan.

Japanese investment in Thailand is well-spread in all three zones both in terms of the project number and the investment value. [passage omitted]

Role as Aid Donor To Promote Foreign Policy

BK1007093992 Bangkok THE NATION in English
10 Jul 92 p A6

[By Yindi Loetcharoenchok]

[Text] Thailand, for the first time since the post-Cold War era, sees itself gradually evolving from the status of a decades-old aid recipient to that of a hospitable donor country for nations in the region.

Many key factors, especially those in the economic and political realm have contributed to this transformation. Thailand's recent records on economic development have surprised the world in general, and with the steady growth rate of average seven per cent annually, its previous World Bank's status as a less developed country has been transformed to that of a newly-developed country (NDC), on the path of becoming an "Asian tiger".

The changing political environment in mainland Southeast Asia after the signing last October of the Cambodian peace settlement has also helped to boost the image of the nation in the world political arena, as Thailand being one of the frontline nations, has played a very active role in brokering for peace.

Because of the ensuing positive regional climate, Thailand drew up a new national aid strategy which is primarily aimed at promoting Thai foreign policy and strengthening the country's economic and political ties with other nations.

"We [Thailand] started as an aid recipient, and for years we used to implement various foreign aid projects," said Pradap Phibunsongkhram, deputy director-general of the Foreign Ministry's Economic Affairs Department.

Pradap stressed that the prospect of restoring peace in mainland Southeast Asia after the resolution of the Cambodian conflict changed the whole picture of regional

security, and Thailand has since started to review its regional foreign policy, which was formulated based on external threat perceptions.

"Now things have changed, and we have developed [economically] into a capable donor country. Thus the idea emerged that we can provide assistance to our neighbouring countries," said Pradap.

Thailand's long experience as a previous aid recipient and how this support was used to turn the economy around, could serve as a good example of development for others, especially the three Indochinese states, which are opening up their countries and attempting a free market economy, he added.

The Cabinet of the Anan I administration was quick to recognize this potential for Thailand, and in last August approved an economic and technical assistance programme for needy Third World nations, with special emphasis on the country's neighbours.

The Anan I administration also established a national committee, chaired by the foreign minister and composed of officials from various government agencies concerned, to oversee, supervise and approve aid projects.

The first government of Premier Anan Panyarachun set aside Bt[baht]25 million to be utilized in the last two months of the 1990-1991 fiscal year. In the 1991-92 fiscal year ending this September, the Anan I Cabinet allocated Bt175 million. Of these amounts, about Bt90 million alone will go to Laos, while approximate amounts of Bt20 million each will proceed to Cambodia and Burma. The rest will be allocated to countries which have requested or submitted projects for Thai assistance.

Since its inception, the aid committee has dispatched various expert teams to neighbouring countries—Cambodia, Laos, Vietnam and Burma—to explore possible development projects that warrant Thai aid.

"We [Thailand] have talked with the four countries, and they have expressed their willingness to cooperate with us in the programme. We already discussed [with them] in principle the areas of cooperation, and we asked them to submit project proposals to us," said Pradap.

Laos, the largest Thai aid recipient, has stressed on development of its human resources and requested scholarships for Laotian students wishing to pursue education and public health university programmes at bachelor and masters degree levels. Also the Laotian government wants assistance in short-term vocational training. The Thai aid committee has approved about 240 scholarships—about 30 university level scholarships and the rest on short course training programmes.

"Laos is looking for short-term and long-term benefits with an emphasis on human resources development," said the deputy director-general. Thailand will also dispatch teams of experts in economic and development planning to train the Laotians, while Vientiane will also send delegates to Bangkok to study and have practical experience in this particular field, he added.

The Thai Government on its part has proposed to improve the airport at Laotian ancient capital of Luang Prabang to help upgrade the country's infrastructure and to accommodate prospects of tourism development in the landlocked nation. Tourism in Laos is expected to flourish when the poverty-ridden nation is better equipped with infrastructure and facilities to accommodate foreign tourists.

At the same time, Thailand will also benefit from the investment as it could promote Laos as the next destination from Bangkok as well as promote Thai investment in its northern neighbour, said Pradap.

A Thai real estate company has privately approached the Thai Government, expressing its interest to bear the costs of the Bt60 million project on the reconstruction of Luang Prabang airport.

Pradap said the private firm's initiative is a welcome move as it signals a token from Thai private sector to the Laotian Government. He added that talks will be held soon with Laotian authorities to discuss private investment.

As for Vietnam, it has officially requested assistance in health care agriculture, and education and has submitted detail proposals to the committee, which is coordinating with three Thai concerned ministries to implement the programme. Hanoi also asked for medical supplies and training for its medical and para-medical staff here.

Where Cambodia is concerned, Thailand is being put in a challenging position. The end of the decades-long conflict means rebuilding the war-torn nation from scratch and Thailand has joined the international community on the reconstruction of the Indochinese country. The assistance committee after several visits to Phnom Penh has approved in principle eight proposals put forward by Cambodia's Supreme National Council, a reconciliatory body uniting the four rival Cambodian parties.

The projects, which are worth Bt20.6 million and form part of the US\$880 million international fund on Cambodian reconstruction, will be implemented across the whole nation and are expected to benefit the general Khmer populace.

The Thai funds for Cambodia would be utilized in the following areas:

- the construction of a rural development centre in Pursat,
- providing expertise in animal husbandry and veterinary services,
- the renovation of a hospital in Sisophon
- training for development and planning in Phnom Penh
- the establishing a primary health care centre in Ampil,
- training courses for Cambodians in diverse fields in Thailand
- vocational and craftsmanship training in Cambodia.

Lately, one of the Cambodian factions has raised an extra request for Thai assistance in raising poultry.

Concurrently, Thailand has planned to establish a Thai cultural centre in Phnom Penh to help promote and

strengthen cultural and social ties between the two countries. To meet the high local demand for learning Thai, the centre will provide Thai lessons which has become one of the most popular foreign language classes among the Cambodians.

Thai Ambassador to the Supreme National Council Sunai Bunyasiriphan had informed Cambodian leader Prince Norodom Sihanouk of the Thai initiative to construct a centre, and the prince's reply so far has been positive.

However, the Thai committee still has to discuss and outline the structure, role and objectives of the centre before officially putting forward their details before the Supreme National Council. Besides technical problems both sides have to tackle infrastructural difficulties including the location of cultural centre, as land in Phnom Penh has become scarce, and property prices have skyrocketed over the past few months.

The location of the former Thai embassy on the Acha Mien Road could be one of the possible sites, but the premises, which have been taken over by the Phnom Penh government, is too small and in a dilapidated condition.

A Thai official team from the Department of Technical and Economic Cooperation is currently on a two-week visit to Cambodia to draft comprehensive details of eight government assistance projects. Another group of Thai medical doctors teachers and agricultural experts will leave soon to visit some project sites to provide recommendations and to help accelerate the implementation of the programmes.

For Burma, the assistance programme is being worked out and a Thai delegation, led by a senior Foreign Ministry official, just returned last week from a one-week visit to explore possible areas of assistance.

According to some Thai officials, who are familiar with the general situation in Burma, public health care and agriculture are the two possible sectors of extending cooperation.

Undergoing nearly three decades of authoritarian military rule, Burma has transformed itself from the rice bowl of Southeast Asia into one of the world's least developed countries. The Thai officials said the country is facing severe economic problems and shortages of essential medicine, other medical supplies and equipment, not to mention basic necessities especially in remote rural areas.

Apart from its immediate neighbours, Thailand is also considering aid requests from countries in other region such as the Commonwealth of Independent States (CIS) of the former Soviet Union, and Nepal.

The Commonwealth of Independent States have asked for Thai support in establishing a banking system and also to help provide expertise in the fisheries' industry. Thailand will invite officials from the CIS here for ground training, according to Pradap.

As for Nepal, its senior delegations during visits here recently had informed Thailand of the country's wish to gain Thai expertise in pipe water treatment.

A team of two water experts recently ended their visit to Nepal where they conducted first-hand studies and surveys. Subsequently, a Bt300 million project has been drafted, and Thailand stated that it could bear only the cost of study and design, but not the whole project.

Thai Airways Business Position Viewed

BK0207134492 Bangkok BANGKOK POST in English
30 Jun 92 pp 46-48

[From the "Economic Review 1992 Mid-Year" supplement]

[Excerpts] The slurring of Thai Airways International's [THAI] worldwide and domestic image as a result of the culpability of its chairman, Air Chief Marshal [ACM] Kaset Rotchananin, in the May crisis has become the central talking point of the airline circuit. Pressure is building for him to resign. In spite of his shrill protestations of innocence, the besieged chairman remains under fire from three major fronts: employees attacking him through anonymous leaflets within the organisation; the press and public outside with almost daily media revelations of alleged irregularities; and from the government which is trying to find the best way to remove him.

The situation has taken on an extraordinary sense of urgency in the buildup to the public listing of THAI's shares which originally were due to start trading in June. After the May crisis nosedived the Thai economy and the Thai stock market with it, THAI sought to get the listing delayed until July but changed its mind after the re-appointment of interim prime minister Anan Panyarachun and the subsequent clearing of the grey clouds.

The airline is clearly facing financial, administrative and management difficulties as sales slump and power structures are realigned. ACM Kaset had the ear of several key people in the airline by virtue of which they held some very powerful positions. With the chairman's fortunes on the decline, the positions of his supporters are bound to be affected.

The chairman has lost all vestiges of support among the employees, infuriating them with his published remarks that all Thais were responsible for the May crisis. Many foreign airline managers in Bangkok clipped the statement for dispatch back to their head offices. His followers also thwarted efforts by employees to organise a meeting at which they were to sign a petition urging him to end the killings and show mercy towards the pro-democracy protesters.

Historically, the Air Force entrenchment in THAI and the Airports Authority of Thailand has evolved due to "national security reasons" dating back to the Indochina wars. The end of those wars did not end the Air Force involvement in the organisations; the Air Force commander in chief automatically became chairman of the Airports Authority of Thailand (AAT) and THAI. The THAI president and the AAT managing director had to be air chief marshals.

Until April 1988, Thailand had two airlines. The domestic airline, Thai Airways Company, plagued by a reputation of inefficiency and sluggishness, was also run by the Air Force and indeed owned its international counterpart, THAI. But the two airlines were merged after TAC was hit by two air-crashes. That only strengthened the military's hand in THAI.

Since 1960, when THAI was founded, its presidents and chairmen kept out of things they did not know much about. But that changed in 1988. Aside from being politically powerful, the jobs also carry numerous perks: free travel for families, entertainment by the world's aircraft manufacturers, among others. Though all airlines, like any business organisation, have their share of internal politics, the military's presence adds a further complicating dimension. People with Air Force connections, or close to the Air Force, appear to get cushy jobs. Exactly a year ago, in May 1991, THAI announced a long-awaited management restructuring.

As of November 1991, more senior management changes took place. Today, 13 out of the 24 executives holding ranks of vice president upwards have an Air Force background. This "Air Forcing" of THAI has shifted it from being a heavily marketing-driven airline to an operational one. In spite of its proclaimed service improvements and heavy advertising, THAI remains a perpetual third in rankings of Asia-Pacific airlines, almost always behind Singapore Airlines and Cathay Pacific.

The main question is how to get rid of the chairman. As long as he legally controls the top spot, he also controls any changes in the articles of constitution that empower the Air Force chief to simultaneously be the THAI chairman. A man who condoned the May killings and shows no apparent regret or remorse is unlikely to be forced into resigning by pressure alone. The second point of the debate is whether just he alone should go or whether the qualifying criteria for that post should be rewritten to eliminate all future possibility of an Air Force chief automatically becoming the THAI chief.

At the same time, the question of what to do with the president also comes up. The incumbent, Air Chief Marshal Wira Kitchathon, has presided over some of the most stormy years in THAI, all the way from the management changes he made last year to the turbulence of the Gulf War, the February 1991 coup and the May crisis. It is virtually official that he will be making way this October for Air Chief Marshal Prachum Chaisiri. But many are asking whether, in a world of intense commercial aviation competition, THAI now needs both a president and a chairman from the Air Force. In the years to come, that is expected to be pared down to one, paving the way for the first civilian president. It is a job that may elude the airline's executive vice president (business and administration) Chatrachai Bunya-anan who is long known to have aspired to it. Mr Chatrachai, who joined THAI in 1971 as deputy director of marketing, is today possibly its best-known international personality. But he is due to retire as of October 1993 though he is known to have contemplated the possibility of packing it in much earlier. Only his

friends and associates have urged him to stay on and see his aviation career through to its end.

Airline executives noted that sometimes, the Air Force men have had their uses, especially in keeping out the politicians wanting to gain an entry through the Ministry of Transport and Communications. Moreover, almost all the pilots are from the Air Force, they have played a major role in keeping THAI's planes flying at a time when most airlines are facing severe shortages of flying crew.

Next month, the airline's shares are going to start trading on the stock market which many officials feel is going to further up the ante for the Air Force by increasing its public accountability. The pressure is on for THAI to produce results in an era of aviation uncertainty and high competition, marked by the forces of privatisation, deregulation, liberalisation and automation. Last fiscal year, THAI inflated its profit announcement by selling and leasing back some of its aircraft. Any international aviation expert will testify that this accounting tactic can be continued only for a limited period. On the stock market, this is only one of the many things that shareholders will question.

At the moment, the airline has got major revenue-generation problems for which its own chairman is essentially responsible. Thanks to the May crisis, the average cabin factor on its international routes from May 11-28 was almost 12 percent less than from May 1-10, with a similar drop on domestic routes. Advance bookings also dropped, particularly on the routes from Japan, Taiwan, Australia and Europe, while the southern, Middle Eastern and North Pacific routes were less affected.

Indeed, the airline is going to an analysis of THAI's financial situation published by the Thai Investment and Securities Company before the May crisis, THAI was scheduled to spend 10,307 million baht on worldwide marketing in fiscal 1993 which, if still confirmed in the light of the May crisis, would be 18.73 percent higher than the projected market budget of 8,681 million baht in fiscal 1992. That would be the largest increase of all items under operating expenses. The airline spent 7,031 million baht on marketing in fiscal year 1990 and raised that 8.53 percent to 7,631 million baht in 1991.

The analysis noted that THAI's low operating costs give it a low break-even factor of 60.6 percent compared to the 62.1 percent average break-even factor of other airlines like Malaysian Airlines, Cathay Pacific and Singapore Airlines. In 1990, it said, THAI's traffic yield was about 16.50 baht per kilometre, one of the highest in the region. Actual load factors have been maintained at about 67 percent between 1985-90, much higher than the break-even level. "In the long run, the growing demand for THAI's services will be propelled by the robust regional economic growth and superior location of airports as a hub for the Indochinese region," Tisco said.

However, on the negative side, the finance company noted these four factors:

- THAI's earnings are subject to exchange rate risks due to its un-headed financial positions.
- THAI's highly leveraged position causes a significant financial risk. In the next three years, THAI is obliged to have pay a total of 10 billion baht for debt service.
- The firm's major business decisions may be affected by political factors.
- THAI has sizable exchange losses of more than 4.3 billion baht booked as assets, scheduled to be written off in future.

Tisco noted that the gross margins of THAI fluctuated from a record high of 22 percent a few years ago to record low of 7 percent in 1991 because of the "extremely high" degree of operating leverage. More specifically, a 1 percent drop in gross revenue will decrease the gross profit by about 14 percent (1990 figures). It said THAI plans to expand its available ton kilometres capacity by about 12 percent per year during 1990-95, which will require an estimated investment of US\$4.2 billion or 107 billion baht. "To finance this, THAI plans to raise its registered capital from 13 billion to 14 billion baht and 16 billion baht in 1992 and 1994 respectively. The total cash flow from the capital increase is expected about 20 billion baht. Another 80 billion baht will come from operations. Debts will not be used as major financing sources."

Assuming the the May crisis does not affect THAI's long-term performance, the airline has many financial factors in its favour. Fuel prices are expected to fall from a peak of more than US\$1.40 per gallon in 1991 to about US\$0.80 per gallon in 1992. The break-even load factors will remain low because the 37 aircraft to be acquired between 1990-95 will be more cost-effective than the old ones. Moreover, the geographical diversifications of its routes will also reduce seasoned effects on actual load factors. Finally, the analysis noted that the sharp decline in the airline's debt/equity ratio from 2.97 in 1991 to 1.21 in 1994 indicates THAI's policy to rely less on debts, substantially reducing the risks from financial leverage. "That means, the net profits of the firm will be more stable than in the past," Tisco said.

There has been considerable activity on route-net development. [passage omitted]

One of the most interesting areas of expansion is Cambodia. THAI has been planning daily flights to Phnom Penh for a long time. In October 1991, THAI officials held talks with representatives of the Cambodian airline and the Civil Aviation Department after which it was announced that THAI would begin operating to Phnom Penh in April 1992. The flight was actually put in the summer 1992 timetable but nothing materialised. THAI officials then began talking about inadequate facilities at Phnom Penh airport. It was again included in the draft programme for winter 1992/93, mainly for operational reasons, to ensure that an aircraft is ready if needed. Later, officials reported that the move is still subject to the conclusion of a bilateral Thai-Cambodian aviation agreement and improvement of infrastructure conditions at Phnom Penh airport.

Thailand's second airline, privately-owned Bangkok Airways, is operating twice-daily flights to Phnom Penh using a 107-seat Fokker. Sources in THAI say there is some embarrassment that the national airline of a country that professes to be the "gateway to Indochina" has not yet started flights to Phnom Penh even though Malaysian Airlines has. [passage omitted]

History was made on March 20, 1992, two days before the last general election, when the Airports Authority of Thailand signed a 913.9 million baht contract with six companies to act as general engineering consultants for the design and construction of the 200 billion baht second Bangkok airport at Nong Ngu Hao, about 40 kilometres southeast of Bangkok. The six companies are Netherlands Airport Consultants Co, Louis Berger International, Design 103 Ltd, Asian Engineering Consultants Ltd, Index International Group and Team Consulting Engineers Ltd. [passage omitted]

Bankruptcies Foreseen in Hotel Business

BK0207143692 Bangkok BANGKOK POST in English 30 Jun 92 pp 49, 50

[From the "Economic Review 1992 Mid-Year" supplement]

[Excerpts] Thai hotels are in for one of the bloodiest periods in history. The Gulf War and various other economic problems last year saw visitor arrivals decline for the first time since 1982.

This year, another decline is forecast thanks to the May riots. This, at a time when numerous hotel projects started in the days of the 1988-90 tourism boom are going to start opening by late 1992 and beyond. These include the Imperial Queen's Park, the Sol Twin Towers, the Monarch Lee Gardens, the Royal Garden Riverside, the Emerald, the ANA Grand Pacific and the Chao Phraya Park complex accounting for nearly 3,000 rooms. Rates have been dropping like never before.

Chatuphon Sihanatkathakun, managing director of the Landmark Hotel and President of the Thai Hotels Association [THA] forecasts numerous bankruptcies which he feels will send tremors through the entire banking system. Bangkok hotels are expected to be worse hit than their upcountry counterparts. Worldwide, there is a move against city tourism as visitors get sick of traffic and environmental problems, curb their stays in the urban areas and move as quickly as possible to the provinces. With the provincial hotels now gearing up to get a larger piece of the action, a combination of cheaper prices and a government desire to spread tourists to the rural areas is finding good favour among the tour operators.

The rate-cutting, whose intensity is unmatched in the history of Thai tourism, is likely to continue for at least two years. At the same time, hotels have been forced to take massive cost-cutting exercises within the properties like freezing hiring of staff, asking many to take leave without pay, curbing energy consumption and delaying new projects. Simultaneously, staff costs are rising horrendously especially as middle and senior management get

pay increases of 20 to 30 percent over their previous jobs to move from one hotel to another.

The issue was one of the major subjects of discussion during the May 27 THA monthly meeting whose board agreed to "recommend" to its members not to cut their prices in the face of this onslaught. Mr Chatuphon said no stronger action could be taken, essentially because it was impractical; the THA has no power to tell its members what to do, no means of enforcing a price-agreement and no power to punish any hotel that violates an agreement. He urged that hotels try to persuade wholesalers to offer their clients value added instead.

Many hotels note that their bargaining position has already been under-cut by heavily discounted corporate rates introduced as of May 20, two days after the rioting started, by the esteemed Oriental Hotel, which is normally at the forefront of the anti-rate cutting movement. The Oriental introduced special summer offers that slashed its rates from 5,600 baht single to 3,000 baht + + [plus tax, plus service] per night for single/double, until July 31, 1992, open only to Press, Government, Embassy officials and all corporate accounts. The hotel, which has regular rack rates of 5 600 baht + + single and 5,900 baht + + double, was running occupancies in the 20s and 30s with its former guest-list of the rich and famous being replaced by small-time tourists and FITs [expansion unknown].

Hotel marketing executives said the Oriental was clearly trying to "hoover" [as in vacuum] in business from neighbouring hotels by presenting target clients with a discounted offer with a limited time-frame. They said the Oriental would almost certainly get its occupancy up a little at the expense of its average room rate, but also bring in some food and beverage business as a result. The announcement accompanied by a series of special seminar and weekend package offers which went well beyond the normal summer offers put out by the Oriental in tandem with other Mandarin Oriental hotels.

However, the Oriental is expected to be one of the hotels that will best weather the financial storm, essentially because it has no debt on its books, according to stock market analysts W.I. Carr. The Dusit Thani, too, is expected to fare well as it has been concentrating more on franchising its management services rather than on building new properties. But, said W.I. Carr, newer hotels like the Grand Hyatt Erawan and Sukhothai are going to feel the pinch as they have the highest start-up costs. "It will take a while before their cash flow is sufficient to cover their outgoing expenses," said analyst Roger Butterworth. Overall the disturbances will scare off hotel investors and thus prove a short-term blessing for existing properties. The company said all the 12 listed hotels had a good first quarter but financial forecasts are being revised downward for the second and third quarters.

Other hotels are not expected to be lucky, especially those with large series group traffic. Wholesalers have already begun forcing price reductions. Colin Wood, Worldlink Product Manager of Jetset, said in a late May telex to all

contracted hotels that worldwide news of the demonstrations "can only and has impacted on sales into Thailand. We are also experiencing high cancellations of already confirmed holidays. We feel to reverse the situation, quick action is needed, and strongly suggest a significant reduction plus some sort of value added is applied with immediate effect."

The hotels were facing pressure from all sides. About 70 of them who are contracted under Thai International's Royal Orchid Holidays [ROH] programme were asked to waive the compulsory dinners on Christmas and New Year's eve as part of efforts to bring rates in line with the present market situation. Many hotels agreed. In addition, many hotels especially four-star properties offered the ROH rate cuts of 10-15 percent beyond the already low prices they gave ROH earlier. ROH Manager Mrs. Sunisa Sunkun said the request for the compulsory dinners waiver had been planned long before the May 18-20 political unrest.

"Last year we got several cancellations from Europe because of this," she said. "The dinners range in price from 800 to 2,000 baht and that can add up to quite a lot for say, a family of four. The family may not want to take the dinner. They may want to do something on their own or the kids may want to go to sleep early," she said, noting that the compulsory dinners had only become industry practise after the room glut started in 1987. Hoteliers said the ROH move was good as it addressed a sore point among many tour operators who resented having their clients forced into attending the Christmas and New Year's Eve dinners when they would rather do their own thing.

Domestic Thai travellers had in fact become a major target market of the hotels even before the May riots. Established hotel groups were competing vigorously amongst themselves for local traffic in the summer low season. A spate of promotions hit the market last February under which mainline hotels like the Imperial, Montien and Central Plaza wooed domestic consumers in the buildup to the March-May school holidays. [passage omitted]

These problems were perhaps not what Mr Chatuphon was expecting in March when he was re-elected to the THA presidency for another two-year term (1992-94). He agreed to take on the job only if the 15 committee members agreed to lend a stronger shoulder to the wheel. Needing a strong committee to battle the upcoming room glut, price-cutting and inadequate training and marketing programmes, the THA members voted in a committee comprising of five managing directors and chairman of various hotels; 10 general managers, including four from top Bangkok hotels, and one director of finance from a Bangkok hotel.

The mix, giving the THA a good balance of professional and political clout included eight new faces, though some of them had served on earlier THA committees. The line-up had been mostly chosen in backdoor manoeuvrings before the actual election and there was very little voting during the meeting itself. There was also a very high turnout of foreign general managers for the election, indicating a greater degree of interest in THA affairs. In the

past, many have grumbled from the sidelines about the alleged inactivity of the THA but done little to contribute. The committee now includes six foreign GMs [general managers], as against five in the former committee. [passage omitted]

One of the major events of this year will be the annual convention of the International Hotel Association [IHA], scheduled for October 11-15 in Bangkok. The IHA is giving all Thai and ASEAN hoteliers a special Visit ASEAN Year discount to attend the congress. Based on the full registration fee of US\$850 for the congress, hoteliers from the ASEAN countries could band together and register in groups which would entitle them to discounts of 10 to 25 percent. The IHA is planning to open a regional office in the Thai capital by the year-end. The main congress is to be preceded by a human resources forum at the Landmark Hotel as well as an accompanying exhibition of hotel products and services. The main programme is going to feature discussions on hotel investments, update on hotel information technology, a first-ever presentation on hotel developments in ASEAN and discussions between hoteliers and the media. The human resources forum will focus on presentation of Asian hotel success stories and the art of bridging cultural dilemmas in the hospitality industry, among other subjects. [passage omitted]

Call for Change in Tax Structure for AFTA

92SE0293B Bangkok DAILY NEWS in Thai
1 Jun 92 p 7

[Text] Mr. Chakrakrut Buranasamrut, the director of the Office of Industrial Economics, said that the industries that will be included in the ASEAN Free Trade Zone Agreement (AFTA) must soon increase their production efficiency in line with the government's policy on improving the tax structure in order to gain a competitive ability in the future when there are no longer any tariff barriers within ASEAN. As for tax measures, at present, we are waiting to see what action the Ministry of Finance will take. The Ministry of Industry has proposed that taxes be reduced on 70-80 types of raw materials. Prior to this, the Ministry of Finance, announced that it would reduce taxes on about 25 types of raw materials.

However, he said that in his view, even if the government grants tax exemptions on raw materials and waives import duties, if an industry has fewer capabilities than its competitors in ASEAN, it won't be able to compete. Investors should look for suitable sites that are ready to produce goods to compete in ASEAN and establish plants to produce export goods instead.

Phachara Comments on Textiles, NAFTA

92SE0293A Bangkok DAO SIAM in Thai
15 May 92 p 4

[Excerpts] Mr. Phachara Isarasena Na Ayuthaya, the under secretary of commerce, talked with reporters about the problems that may arise from the establishment of a free trade zone in North America, or NAFTA. He said that there are two main theories behind the United States,

Canada, and Mexico working together to form NAFTA. One is the theory of trade creation. When two or more countries join together, the amount of trade among them will increase. The second is the theory of diversion. When two countries join together, the amount of bilateral trade will not increase. [passage omitted]

If NAFTA is actually created, the first Thai goods to encounter problems will be textiles. On a recent trip to the United States, it was found that goods similar to those of Thailand and that are produced in Chile, the Philippines, and Puerto Rico are being sold on American markets at prices much lower than ours. And they are of better quality, too, because they use raw materials from the United States. If NAFTA is established and money is invested in Mexico, we will encounter great problems. But we still don't know if they will join together or what the form of that will be.

Problems in Rice Production, Productivity

92SE0248B Bangkok THE NATION in English
16 May 92 p B1

[Article by Aphisak Thanasetthakon]

[Excerpts] The government must stop misuse of fertile and well-irrigated farm land, improve the irrigation system in the countryside and avoid trade-off between high rice export volume and lower prices if it wants to maintain Thailand's status as the world's biggest rice exporter in this decade, experts have warned.

By the end of the seventh national development plan in 1996, the country's land under rice cultivation is likely to further shrink from 59 million rai to 57 million rai and unless rice productivity by then improves, Thailand may be able to produce and export less, they said.

They said the income gap between people in the agricultural and industrial sector will continue to widen from the present 1:12, the annual per capita income ratio (Bt7,137:Bt85,343 [baht]). The ratio has risen from 1:7 a decade ago, severely affecting people living off farming.

Senior agricultural officials and members of the private sector voiced serious concern over the prospect of the country's production and markets over the next decade at a seminar organized by the Agriculture Ministry yesterday.

Yukti Sarikaphuti, permanent secretary of agriculture, also urged the industrial sector to make sacrifices to strengthen the farm sector, "the backbone" of the country's rapid industrialization in the past decade.

He said 8.6 million rice farming families, representing some 70 per cent of the country's population in the agricultural sector, have to be helped urgently and consistently over the next decade to improve their livelihood.

Because rice farming in Thailand and the whole Asian continent is predominately rain-fed, Yukti said, the maintenance of well-irrigated farmland for agriculture to stabilize the country's rice production and export should be given the highest priority.

Currently, Thailand produces about 20-21 million tonnes of rice, of which 40 per cent is exported. Its share in the world rice market accounts for 35-40 per cent. [passage omitted]

Up to 76 per cent of the country's rice farms are rain-fed; production is therefore unreliable. While a rain-fed farm produces 272 kilos of rice per rai, irrigated farm has an average per rai output of 435 kilos. This brings down the country's average to 312 kilos per rai which is unsatisfactory.

The low level of water reserve in major dams also affects crop production. This year, only about 15 million rai of the total rice farms of 59 million rai will receive irrigation water, the official added.

A large acreage of land totalling some 18 million rai, particularly in the Northeast, is not suitable for rice farming, Yukti noted, adding that the farmers in this area should be encouraged to grow alternative crops. Their average rice production is only 120-130 kilos per rai.

In view of rising competition from low-cost rice producers, notably Vietnam, the Agriculture Ministry also advocates the Commerce Ministry's attempt to shift the emphasis on rice export from low-quality rice, which is grown mostly on poor quality land, to premier rice to fetch better prices on international markets.

"We should emphasize the quality of rice rather than quantity which will benefit the country more than simply competing with other rice exporters by lowering prices," Yukti said. [passage omitted]

POLITICAL

Australia Signs Contract To Build Coal Plant

92SE0289A Hanoi VIETNAM INVESTMENT
REVIEW in English 1-7 Jun 92 p 5

[Text] Australia has signed a contract to build a 15 million dollar (11.3 million U.S.) coal preparation plant in Vietnam, the Minister for Trade and Overseas Development John Kerin announced in Australia last week.

Kerin said in a statement that the contract between Bulk Materials Coal Handling (BMCH) of Sydney and the state-run Hongai Coal Company of Hongai was signed in Hanoi last Saturday.

The minister said the plant at Hongai had the capacity to increase annual coal exports from Vietnam by one million tonnes by 1994.

In 1989 BMCH built its first plant at Campha in Vietnam and since then exports of anthracite had increased from less than 200,000 tonnes annually in 1988 to about two million tonnes in 1991.

Use of Overseas Vietnamese Skills Urged

922E0168A Ho Chi Minh City SAIGON GLAI PHONG
in Vietnamese 26 May 92 p 3

[Readers Write column by Engineer Nguyen Dang Liem: "Plans, Policy Needed To Attract, Use, Develop Strength of Overseas Vietnamese"]

[Text] Almost all Vietnamese living in other countries are civil servants and private-sector employees, have self-employed occupations, do small businesses, are researchers, teach in colleges, and so on; although most of them do not have a lot of savings money, they have strength in terms of their brainpower, specialized capabilities, and technical skills.

In the last several years, particularly after the 6th and 7th Party Congresses, our party and state have adopted a number of policies and measures to encourage and attract contributions by overseas Vietnamese to building and developing the country. However, because our party's and state's positions and policies have not yet been turned into positive and synchronized policies, their attracting power remains small while the potential capabilities of overseas Vietnamese, particularly their potential brainpower, are abundant in many fields.

To appropriately encourage, attract, and use the contributing capability of overseas Vietnamese, in our opinion, we must concentrate on effectively doing the following:

1. To introduce through propaganda and publicity Vietnam's renovation and open-door policies and Foreign Investment Law so as to encourage other countries to invest capital and also to encourage overseas Vietnamese to provide their compatriots inside the country with capital (in spite of the small amount) to let them do business. Through overseas Vietnamese, to have connection for lobbying in favor of getting loans from other countries; to continue to expand foreign exchange.

2. Through overseas Vietnamese, to build a network of business representatives for many domestic corporations and enterprises (including state corporations and enterprises) so as to know thoroughly, control, and study properly markets throughout the country, and to effectively serve our foreign trade.

3. To mobilize intellectuals in the fields of science and technology, law, commerce, economics, and so on for going back to teach in our middle schools, colleges, vocational schools, short-term training courses, and so on, so as to fulfill the need for in-depth training. To step up the study-right-in-the-country program aimed at raising the capabilities of college students and young intellectuals in the country in order to save money while maintaining effective training.

4. Through overseas Vietnamese associations and families, to lobby in favor of and sponsor outstanding students and college students for studying abroad. To encourage overseas Vietnamese to sponsor their relatives in the country for studying in other countries so as to help further expand in-depth training and to fulfill the need for national construction in the time to come.

5. Through overseas Vietnamese associations and individuals, to lobby foreign companies, enterprises, and governments, particularly those in Southeast Asian and Western countries having developed industries and science-technology, in favor of expanding international labor cooperation programs. This is a way to train our people in technical skills and at the same time to resolve the unemployment problem in our country.

6. To adopt a policy aimed at attracting a number of overseas Vietnamese being outstanding in science and technology, having highly specialized skills, and being greatly experienced in management to return to serve in joint enterprises, domestic enterprises, as well as important state enterprises.

7. Through the network of overseas Vietnamese's business representatives, to step up and expand export-import activities and services among countries and regions in the world (because of many overseas Vietnamese being very familiar with international markets and law and speaking fluent foreign languages needed for dealing with foreign businessmen).

8. To create favorable conditions for and step up exchanges of knowhow, research data, and experience in science and technology, and in training between intellectuals, both old and young, in the country and overseas Vietnamese intellectuals, scientists, and specialized researchers in other countries.

9. To adopt many positions and policies aimed at mobilizing and encouraging in many ways, material and spiritual, the traditional patriotism of Vietnamese people so as to attract outstanding talented people among overseas Vietnamese to turn to their fatherland and to make direct or indirect and multifaceted contributions to all aspects of our work. This is a correct and useful policy that we should try to implement.

Decline of Communist Youth Union Examined

922E0129A Ho Chi Minh City TUOI TRE
in Vietnamese 10 Mar 92 pp 1,2

[Article by Tran Bach Dang, vice chairman of the Ho Chi Minh City Sociological Council, under the rubric "The Youth of Today and the Youth Union": "Youth in Face of the New Situation"]

[Text] The Ho Chi Minh Communist Youth Union [HCMCYU] is urgently preparing for its sixth national congress and the Fifth Ho Chi Minh City HCMCYU Congress. These are not only important political events for HCMCYU members and youth in particular, but also drawing the attention of the elders at home and abroad.

Naturally, like all other mass organizations, the HCMCYU must hold a congress as stipulated by its statutes, when the current term of office of its current Central Committee ends, that is, it must "meet again, as promised" [title of a popular Vietnamese motion picture]. But what everyone is concerned about and expects to see this time around is not solemn ceremonial procedures and formal slogans, pictures, posters, and banners. What people want to know is: What will the Sixth National HCMCYU Congress say and, especially, what will it do to mobilize the strength of youth to contribute, as a vanguard unit, to the cause of renovation and the building, along the socialist line, of a prosperous and strong Vietnam capable of proving itself "equal to other countries in the world" as Uncle Ho wished.

Moreover, the HCMCYU is no ordinary mass organization. This is a contingent of young communists who will assume the heavy responsibilities of the Communist Party in the future. The ideal, virtue, quality, and talent of this contingent in particular and of the youth in general will ensure national development, the success of socialism, and even the survival of the party. Owing to the character and responsibility of such a mass organization, it is certain that we are not going to hold a congress just to please the elders in accordance with old people's "taste"; but nor will "we" do as "we" please.

To acquire the vitality it needs, the congress should directly address the basic and pressing yet very thorny and complex questions that still remain unanswered in the hearts and minds of the young people of today. To put it in another way, we should ask: In face of the world and local situation in which many great and complicated events have been taking place, and in view of the inefficient operations of the youth movement as a whole and the HCMCYU organizations in particular, what impact have these objective factors had on the youth's viewpoints, ideology, and psychology? How should these problems be resolved?

1. The world background: The world situation has undergone many radical changes, including in particular the disintegration of the socialist system in the Soviet Union and East Europe, where the communist parties were dissolved and lost power and the communist youth unions were disbanded despite all the calls for political pluralism.

In the past, in the domain of party affairs—and even HCMCYU affairs—we practiced what we learned from fraternal countries' experience and somewhat regarded it as the standard. For this reason, their all too quick, unexpected collapse has caused doubts and vacillation among—and has had a tremendous psychological impact on—not only HCMCYU members but also various strata of youth in general. This is an effect of the objective situation that should not be belittled or dodged; on the contrary, it must be scientifically analyzed and explained. This is a demand for the Sixth National HCMCYU Congress.

2. Vietnam has embarked on a renovation process, but is still in the initial stage of transition from the old viewpoints, positions, mechanisms, and methods to new ways of operations replete with difficulties and hitches, and has not yet extricated itself from the socioeconomic crisis. Although definite achievements have been made in the fields of economic building, social welfare... the economic laws of commodities production have begun to operate widely and deeply, and the power of money has begun to have a broader influence on social relations than before. Besides the positive economic development, there have also been a division between the rich and the poor and social decay. When all people were still poor, they were willing to share even a potato or a grain of salt with one another, in keeping with the "sharing-weal-and-woe" spirit, to serve their common ideal. But once a certain level of income has been attained through competition in money-making activities, once millions of tonnes of crude oil and rice have been exported, and once foreign investment has started pouring in, people begin to develop a different way of thinking. One's noble ideal and spiritual life do not necessarily develop in direct proportion to the increase in one's money-making power; sometimes, it is quite the reverse.

The youth are very sensitive to the new, to the real life, and to lofty ideals. Thus, in face of such a social backdrop, along with the aforementioned skepticism about and vacillation in their ideal, what other reactions have HCMCYU members and young people shown? What are uppermost in their minds? Money, fun and enjoyment, creature comforts, scientific research, or ideal? How has the HCMCYU, the guide of youth's activities, analyzed these social phenomena? And what has it told the youth against the current background?

3. More than six months have elapsed since the Seventh Party Congress (June 1992). Countless events have taken place in the world and at home—events that the party congress at the time could only envisage. We still remember that, when the seventh party congress was held, a CPSU Politburo member was sent to attend it. But now the situation in the Soviet Union is totally different. At the time, the Cambodia issue had not yet been completely settled, and the relevant advantages as well as difficulties had not yet been fully exposed. However, the situation has quickly changed and promoted the normalization of Sino-Vietnamese relations; progress in Vietnam's relations with the United States has also been made. Vietnam has agreed

to sign the Bali Agreement and is preparing to join ASEAN and strongly developing regional cooperation. The United Kingdom, France, and Japan have strongly developed relations with Vietnam in many fields. An increasing number of countries have asked to invest in and given aid to Vietnam....

This situation has just emerged and will certainly open up new vistas in our foreign relations and create many favorable opportunities for economic development. At the same time, we must also see the reverse side of this situation as well as its positive and negative effects on society in the economic, ideological, and cultural fields, in our way of life, and so forth. We must anticipate such effects on the youth in the future. If we cling to our old ways of looking at things, we will "miss the train" and will have to react in passiveness and confusion.

The forthcoming national HCMCYU congress should not be a carbon copy of the seventh party congress; it must "update itself" in accordance with the resolutions issued since then by the various party Central Committee plenums. It must clearly show its sensitiveness to the situation.

4. The forthcoming national HCMCYU congress will be held in the conditions of a psychological, ideological, and organizational crisis in the HCMCYU and among the youth. This fact has already been mentioned in the draft report of the HCMCYU Central Committee. Here, I would like to list some points worth paying attention to:

A. Faith in the communist ideal has sharply declined among HCMCYU members and the youth, drastically affecting the close relations between youth union members and the HCMCYU and the party, and between the youth and the HCMCYU.

B. This situation has resulted in a decrease in both the quality and quantity of HCMCYU membership. Reports have shown that up to 80-90% of HCMCYU members are weak and mediocre and have effectively lost the vanguard character of youth. No less than 30-40% of HCMCYU branches are weak. This is a rather serious state of affairs. Many members have arbitrarily left the union. If these people were opportunists who had joined the HCMCYU just to win promotion, to be sent overseas to study, and so forth... and who now called it quits because youth union membership no longer served their personal interests, then their departure would not be regretted. But many enthusiastic youths have backed out because they were fed up with the current state of the HCMCYU's activities. The loss of these members is not only regrettable; it reminds us of a truism: Wanting to do good deeds and really being able to do good deeds are two different things.

C. The HCMCYU's capability to rally young people and to serve as an activist in guiding their activities has declined. The HCMCYU's role has become blurry in the eyes of the younger generation. This is due to the fact that as the union itself has declined both qualitatively and quantitatively, it is only natural that it can no longer play a vanguard, exemplary, and activist role among the youth. The HCMCYU must draw strength not only from its members but also from the large masses of young people of all strata.

D. The aforementioned weakness and deficiency have led to an observation that the HCMCYU has not satisfactorily fulfilled its role as "an efficient arm" and "a reliable reserve unit" of the party. This deterioration is somewhat similar to the situation of other party-led mass organizations. But in this case the HCMCYU has played a somewhat more significant part in causing this state of affairs than the part played by other mass organizations in their own decline.

In view of the HCMCYU's ideological and organizational weaknesses mentioned above, the Sixth National HCMCYU Congress should make a profound analysis to find out their causes and seek solutions.

Articles on National Assembly Candidates

Five Candidates Withdraw Names

922E0169A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 2 Jun 92 p 1

[Article by H.V.K.]

[Text] The Ho Chi Minh City Ninth National Assembly Deputies Election Committee reported that to date, five independent candidates have withdrawn from the election of Ninth National Assembly deputies. They were: Lien Khui Thin, director of the Exports Processing Joint Venture in the Third Precinct; Nguyen Van Hai, a retired official; Dao Thien Tung, a Ho Chi Minh City University student; Lawyer Nguyen Xuan Lam; and Nguyen Dang Quang, director of the Lam Son Lacquerware Corporation. Some of the candidates said they had to pull out of the election because their study and official work conditions were not conducive to their candidacy and for health reasons.

Candidates Selected for HCMC

922E0169B Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 6 Jun 92 pp 1, 5

[Article by B.L. - H.M.]

[Text] Yesterday morning, 5 June, at the Friendship House of Ho Chi Minh City, the Vietnam Fatherland Front [VFF] Committee of Ho Chi Minh City held the third consultative conference to select nominated and independent candidates to form city's official list of candidates standing for election as deputies to the Ninth National Assembly.

Mr. Nguyen Van Hanh, chairman of the city's VFF Committee, reported to the conference on the holding of meetings to solicit voters' opinions on candidates. These meetings, democratically organized in strict accordance with the law, had attracted the local people's active participation. To date, in Ho Chi Minh City, 34 candidates (including five independent candidates and 29 candidates nominated by various popular groups, social organizations, and state agencies) have completed all mandatory formalities, including the gathering of voters' opinions. With regard to the number of independent candidates, originally there were 11 of them, but six later withdrew their names. Concerning these cases, the VFF conference

gave their approval because it deemed that the withdrawals were made in accordance with the law,

Delegates to the conference carefully and specifically considered each case and unanimously agreed that the selection of candidates and the forming of the city's official list of candidates must be based on the criteria of National Assembly deputies and on the wishes, opinions, and confidence expressed at the voter meetings already held as stipulated by law. Of the 34 nominated and independent candidates, 29 have won voters' high confidence (93% to 100%) and fully met the criteria for candidacy. The remaining five candidates were carefully considered and unanimously pronounced unqualified and lacking voters' confidence by the consultative conference; therefore, they would not be included in the city's list of candidates.

The conference unanimously accepted the seven candidates recommended by the VFF Central Committee to run in Ho Chi Minh City. They are: Vo Van Kiet, member of the Political Bureau of the Communist Party of Vietnam [CPV] Central Committee and chairman of the Council of Ministers; Phan Van Khai, member of the CPV Central Committee Political Bureau and first vice chairman of the Council of Ministers; Truong My Hoa, secretary of the CPV Central Committee and president of the Vietnam Women's Union; Nguyen Thi Ngoc Phuong, vice chairman of the Eighth National Assembly; Mrs. Ngo Ba Thanh, chairman of the Eighth National Assembly Judiciary Committee; Superior Monk Thich Minh Chau, vice president and concurrently general secretary of the Vietnam Buddhist Church; and Catholic Priest Phan Khac Tu, vice chairman of the Vietnam Committee for Solidarity of Patriotic Catholics.

After thoroughly discussing each case, the consultative conference unanimously agreed to put 36 persons on the city's list of candidates running for election as deputies to the Ninth National Assembly. Of these candidates, 29 were recommended by the Ho Chi Minh City VFF Committee (all nominated by various popular groups, social organizations, and party and state agencies).

HCMC Candidates Meet With Voters

922E0169C Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 8 Jun 92 pp 1, 5

[Article by T.L.]

[Text] On the morning of 6 June, at the Friendship House of Ho Chi Minh City, the city's Vietnam Fatherland Front [VFF] Committee called a conference of voters' delegates to hear the group of Ho Chi Minh City deputies to the Eighth National Assembly review their activities before their term of office ends. Comrade Nguyen Van Hanh, chairman of the Ho Chi Minh City VFF Committee, presided over the conference.

Comrade Lu Minh Chau, acting head of the group, read a review to the voters' delegates. During their recent term (1987-1992), the group of National Assembly deputies from Ho Chi Minh City met with 40,000 voters on 414 occasions before and after National Assembly sessions. To prepare for the various National Assembly sessions, the

group held 22 meetings and 18 seminars and had conducted three surveys. The group's public reception office regularly received the people twice daily. From 1 January 1987 to 30 April 1992, the office received more than 10,000 visitors and 1,000 letters reporting on people's thinking and aspirations or expressing opinions on important issues of the country. During their term, the group's administrative office also received 2,660 complaints and turned 2,497 of them—along with 815 specific suggestions—over to various local agencies and units for settlement, with the result that a total of 442 cases were definitively resolved. At the 11 sessions of the Eighth National Assembly, the group of deputies from Ho Chi Minh City actively and effectively contributed their efforts to the performance of many tasks such as lawmaking, economic development, national defense in keeping with the spirit of the party's renovation policy....

Expressing their opinions on the city's group of Eighth National Assembly deputies, the voters' delegates at the conference highly appreciated their contributions to resolving the country's important issues during the various National Assembly sessions. Every deputy of the group actively contributed to the task of caring for the local people's well-being and settling their urgent affairs right in their localities. However, some deputies and cells of deputies in a number of precincts failed to maintain regular contact with their constituencies.

Addressing the delegates, Comrade Nguyen Van Hanh, on behalf of Ho Chi Minh City voters, warmly welcomed the contributions made by the city's group of deputies to the National Assembly with a high sense of responsibility. The group have maintained good relations with the city's People's Council, People's Committee, and VFF Committee to discharge their responsibilities as the people's deputies. The group have also paid attention to performing their functions of controlling and supervision the operations state agencies in Ho Chi Minh City. Comrade Nguyen Van Hanh expressed his wish that the city's deputies to the Ninth National Assembly would learn from the work experience of the group of deputies to the Eighth National Assembly. He also voiced his belief that the group of deputies to the Eighth National Assembly would actively contributed to the efforts of the Ho Chi Minh City people in ensuring that the Ninth National Assembly election will be conducted democratically, safely, successfully, and in accordance with the law.

HCMC Candidate List Submitted

922E0169D Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 9 Jun 92 p 1

[Article by C.T.]

[Text] Yesterday afternoon, 9 June, at the office the Ho Chi Minh City Ninth National Assembly Deputies Election Committee, the standing body of the city's Vietnam Fatherland Front [VFF] Committee handed over to the city's election committee the minutes of the third consultative conference and the name list of the 36 persons recommended to run for election as deputies to the Ninth National Assembly in Ho Chi Minh City. Mr. Nguyen Van

Hanh, chairman of the city's VFF Committee, said that the holding of consultative conferences, the recommendation and nomination of candidates, and the gathering of voters' opinions had been done democratically and in accordance with the law and had attracted the active participation of various popular groups, social organizations, party and state agencies, and the people in Ho Chi Minh City. Mr. Trang Van Quy, chairman of the city's Ninth National Assembly Deputies Election Committee, received the name list.

According to the list, of the 36 persons recommended to run, 31 are members of the Communist Party of Vietnam, nine are deputies to the Eighth National Assembly, nine are women, five are 40 years of age or younger, 91 are college graduates or postgraduates, and five have level-3 education.

Voter Reaction to Assembly Candidates Examined
922E0170A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 3 Jun 92 p 1

[Article by C.T.: "Notes Taken of the Drive To Solicit Voters' Opinions on National Assembly Election Candidates: Democracy, Sincerity, and Constructiveness"]

[Text] Immediately after the conferences held to introduce nominated and independent candidates running for the election of deputies to the Ninth National Assembly closed, a broad political activity drive was launched among the people of Ho Chi Minh City to solicit voters' opinions on the nominated and independent candidates. Repeatedly from 25 to 30 May, particularly on 27, 28, and 29 May, dozens of meetings took place simultaneously every night, attended by large numbers of local people, who really showed their will and their sense of responsibility for the country's important event.

Noticeable first of all was the keen attention paid by voters in various localities to these activities and their active participation in them. Though very busy with many chores, voters attended most street resident group meetings in large numbers. In many street resident groups such as the ones in Subwards 2, 11, and 22 of Binh Thanh District; the ones in Subwards 5, 6, and 7 of Third Precinct; the ones in Da Kao and Tan Dinh Subwards of First Precinct..., some families sent two of their members to the meetings. Many people who came home late from work still managed to sit in. It was very touching indeed to see numerous old and frail voters come to the meetings very early though they had to rely on the help of walking sticks or their children to get there. The majority of retired cadres (especially in Subwards 5, 6, and 7 of Third Precinct) participated in the meetings with respectable attention and zeal....

But the most outstanding and notable feature of these meetings was the voters' participation in discussions; the extremely sincere, candid, and constructive opinions they expressed; and the sense of responsibility they showed toward the candidates. At all the meetings, what voters studied with fairly keen attention was the past activities of candidates, their contributions to the people and country,

their concrete achievements in current work, and their qualities and ethics. On this realistic basis, voters analyzed, evaluated, and compared the candidates' qualifications with the basic criteria of National Assembly deputies. In their statements, voters focused most clearly on the criteria of loyalty to the socialist Vietnamese fatherland, work capability, and adherence to the spirit of renovation initiated by the party. Many voters frankly questioned the past work, specific activities, and strong points and weaknesses of the independent candidates, particularly the still unclear details about their personal lives and activities. This scrutiny was aimed at creating a basis for the voters to decide accurately how much confidence a candidate deserves. In many cases, after a meticulous dissection of the four basic criteria of National Assembly deputies, voters demanded for high quality on the part of National Assembly deputies and stressed in their statements the particularly important demands imposed by the duties of Ninth National Assembly deputies. They expressed their feelings and wishes that, if elected, deputies must strive to fulfill their duties in deference to the people. Uncle Vuong, an old retired cadre, sincerely said: "I am already an old man and can no longer make contributions. But I want to entrust the candidates with one thing: If elected, they must work with both conscience and great talent and must resolutely carry out the country's renovation undertaking to make the people prosperous and the country strong." Although these gatherings were not official meetings between candidates and their constituencies, voters brought up many urgent issues of the people at the grass-roots to remind the candidates that, if elected, they must actively help resolve them. At some meetings, owing to the sincere, frank, and open statements by both voters and candidates, everyone seemed to be sharing the same sentiment, the same will, and the same sense of responsibility toward the affairs of the country and people. The democratic spirit and sense of responsibility of voters were also clearly reflected in the votes held by voters to express their confidence. Not all independent and nominated candidates won voters' absolute confidence. Some independent candidates got a small number of votes of confidence (about one-tenth, one-fifth, or one-fourth of the total ballots cast).

Viewed from another angle, this political activity drive could be said to have very clearly improved the people's understanding and observance of the law. The sense of implementing democracy through the law was concretely and fully reflected in the building of the political system and the organization of the state power apparatus. Mrs. Vo Thi Huu, a voter of Street Residents Group 132 in Tan Dinh Subward, First Precinct, remarked: "There are many new points in this election of National Assembly deputies which ensure that it will be held in a really democratic fashion and in strict accordance with the law. Voters will be able to select fully qualified deputies."

Monitoring several meetings, we noted that the agencies responsible for organizing the election have made fairly meticulous preparations, have uniformly organized, directed, and conducted each stage of the election process in accordance with the law, have paid attention to all

necessary details, have fully observed all mandatory procedures, and have created favorable conditions for the people to develop their right to democracy, to fully attend to their interests, to perform their duties, to enjoy their honor, and to fulfill their responsibility as citizens.

The results of this political activity drive will certainly serve as a good premise for the subsequent step of operation, including the final round of consultations, and especially the meetings between voters and candidates scheduled to take place in early July.

VFF Solicits Voters' Opinions on Candidates

922E0167C Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 29 May 92 p 1

[Article by C.T.]

[Text] On 27 May, the Vietnam Fatherland Front [VFF] Committee of Ho Chi Minh City coordinated with the grass-roots administrations and units to solicit voters' opinions in various public security and Army units and in the street cells of Subward 1 in Tan Binh Precinct, Subward 8 in Phu Nhuan Precinct, and Subward 8 in the 10th Precinct, on the persons nominated to stand for election to the Ninth National Assembly. The nominees were: Nguyen Huu Khuong, member of the Standing Committee of the Ho Chi Minh City Party Committee and director of the city's Public Security Service; Major General Nguyen Rang, member of the Standing Committee of the Ho Chi Minh City Party Committee and commander of the city's Armed Forces; Doan Le Huong, member of the Ho Chi Minh City's Party Committee and chairperson of the city's Women's Union; and Pham Phu, "outstanding teacher" title holder and professor of the city's Polytechnic College. Voters sincerely and frankly expressed opinions and made remarks on the nominees. Most of the opinions focused on analyzing the nominees' credentials, relating them to the basic qualifications of National Assembly deputies as stipulated by the Constitution and law. Many voters stressed the criteria of absolute loyalty to the socialist Vietnamese fatherland, working capability, and readiness to actively strive for achievement of national renovation against the backdrop of the National Assembly's 1992-1997 term of office. The voters also clearly pointed to the nominees' good deeds, work achievements, and past contributions to the country. An overwhelming majority of the voters' representatives expressed high confidence in the candidacy for election to the Ninth National Assembly of Nguyen Huu Khuong, Nguyen Rang, Doan Le Huong, and Pham Phu.

Lawyer Comments on National Assembly Organization Law

922E0166A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 16 May 92 pp 1, 5

[Article by Lawyer Minh Thanh: "The Law on Election of National Assembly Deputies and The Law on National Assembly Organization Carry Into Effect the Stipulation That State Power Belongs to the People"]

[Text] Along with promulgating the new Constitution, the 11th Session of the Eighth National Assembly passed and promulgated the Law on Election of National Assembly Deputies and the Law on National Assembly Organization to replace the 1980 versions of the two laws. The two new laws give profound and full expression to the Communist Party of Vietnam's notion of broadening socialist democracy according to the principle of "regarding the people as the roots" in establishing the National Assembly—our people's highest representative body and our country's highest organ of state power—and in organizing its operations.

The principle that it is the people who set up the National Assembly is the first principle confirmed by the new laws. The people are the masters of the country and society, therefore they have the right to decide all important affairs of the country. The National Assembly, the highest organ of power, must be directly elected by the people by democratic and free ballot. The Law on Election of National Assembly Deputies has affirmed that the principles governing the election of National Assembly deputies in our country are universal, equal, direct, and secret ballot. These four principles, considered to be the most democratic and progressive electoral method in the world at present, were applied to the first National Assembly election in 1946 and are now reconfirmed by the new Constitution.

The role of the people as masters is also reflected in their rights to stand for election and to participate in the selection of candidates for election as National Assembly deputies. The Law on Election of National Assembly Deputies stipulates that there are two categories of candidate: Citizens who put themselves up as candidates and citizens who are recommended (or nominated) as candidates. But, whether a person chooses to run as an independent candidate or is put up by popular groups, social organizations..., before he or she is officially recommended by the Vietnam Fatherland Front [VFF], a candidate must be subjected to the judgment and comments by voter conferences in the localities where he or she works and resides. This stipulation, which clearly embodies the people's role in the selection of candidates, is aimed at ensuring that candidates are really good and capable of holding the country's supreme power in the people's behalf. Besides, the law does not limit citizens' rights to stand for election and to be nominated as candidates if they meet the necessary conditions and qualifications. This is a fairly democratic stipulation in the current situation, in view of the fact that, in some countries of the world, the right to independent candidacy is subject to very stringent regulations. For instance, an independent candidate must collect a certain number of signatures of voters agreeing to put him or her up and must pay a sum of guarantee money (In Britain, the signatures of 10 voters and 10 pounds in guarantee money are required; in France, Fr1,000 must be paid; in Hungary, 750 voters' signatures are mandatory; in Romania, 251 signatures; in Belgium, 200-500 signatures....).

As the highest organ of power directly elected by the people, "the National Assembly is the people's highest

representative body and the highest organ of state power of the Socialist Republic of Vietnam." The Law on National Assembly Organization stipulates that the National Assembly is vested with three major powers. The first is the constituent and legislative power, that is, the power to enact constitutions and laws in behalf of the people throughout the country. The second is the power to decide the country's important issues according to the people's aspirations and will and to elect and dismiss the highest-ranking officials of the state apparatus. And the third and last is the power to exercise supreme supervision over all operations of the state so as to promptly check all acts and deeds by state agencies and employees detrimental to social and public interests.

National Assembly deputies are those "who represent the people's will and aspirations and exercise state power in the National Assembly in behalf of the people." To enable National Assembly deputies to fulfill their important functions and role, the Law on National Assembly Organization stipulates: National Assembly deputies are accountable to voters and also to the National Assembly. They must establish close relations with voters, submit to their supervision, maintain regular contact with them, understand their thinking and aspirations, and gather and faithfully report their opinions to the National Assembly. In addition, the law also stipulates that National Assembly deputies must report to their constituencies on the performance of their duties at least once a year. Directly or through the VFF, voters may request that National Assembly deputies report on their work and may make remarks on deputies. In case a deputy proves no longer worthy of the people's confidence, he or she may be dismissed by his or her constituency or by the National Assembly.

To enable the National Assembly to fulfill its role as the people's highest representative body, the Law on National Assembly Organization determines the setting up of a standing body called the National Assembly Standing Committee. This committee has the duty and power to act in behalf of the National Assembly when it is not in session, to handle some important affairs of the country, to supervise the operations of the government, the Supreme People's Court, and the Supreme People's Organ of Control. The role of National Assembly deputies has also been enhanced. For example, all deputies have the right to question the president of the state, the National Assembly chairman, the government prime minister, the chief justice of the Supreme People's Court, and the chief procurator of the Supreme People's Organ of Control. They may also request law-protection agencies to apply measures to promptly stop unlawful acts detrimental to the interests of the state, society, and citizens. Those agencies thus questioned or requested must answer the National Assembly deputies concerned. In particular, deputies have the right to submit bills or legislative proposals to the National Assembly and draft regulations to its Standing Committee. Especially, the position of the National Assembly, the highest organ of power, has also been determined. The Law on National Assembly Organization stipulates that all laws and resolutions legally passed by the National Assembly

are preeminent and that no agency, organization, or individual may veto a National Assembly-enacted law. This stipulation is by far more progressive and democratic than the one in some capitalist countries that the president is empowered to veto congressional laws (the United States is a typical case in point).

At present, our people are making preparations for the election of the Ninth National Assembly. The ninth legislature will have the very important tasks of perfecting the legal system, organizing and supervising the implementation of the new Constitution, and operating in accordance with the new Law on National Assembly Organization. Therefore, it is an important duty of each voter to select worthy people for election to the National Assembly, thereby enabling this body to fulfill its important tasks.

Article Comments on New Constitution

922E0163A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 9 May 92 pp 1, 5

[Article by Huynh Ngoc Chi: "The New Constitution: Our Victory"]

[Text] The SRV Constitution was adopted by the National Assembly on 15 April and promulgated on 18 April. This is an extremely great victory of historic significance of our entire people.

The 1992 Constitution has institutionalized the seventh party congress resolution. Based on several drafts, revised time and again according to the suggestions made by the people of various strata, the new Constitution, with every one of its words and sentences polished up by National Assembly deputies, has given full expression to "the party's thoughts and the people's feelings" as well as the high unity of will of the party, the state, and the people in establishing a legal basis for the cause of national construction and defense in the new stage. For millennia, if our country has experienced untold ups and downs and countless trials and hardships, and has always emerged as the victor from any war against foreign aggressors, it was due to the unity and singlemindedness of our entire people. The latest Constitution passed by the National Assembly also reflects such unity and singlemindedness. This charter, shaped in an atmosphere permeated with confidence and expectations of the people throughout the country, is a product of the intellect of our entire party, people, and Army.

We all know that an issue of paramount importance in all revolutions is power. If our people have fought under the party leadership and have accepted untold hardships and sacrifices, it was because they wanted to win back power. The Constitution is the basic law that orients the path of national development and determines the character and mechanism of power.

In his report on the 1959 Draft Constitution, our respected and beloved Uncle Ho said: "To whom does power belong and whose interests does it serve? That is the question that decides all the contents of the Constitution." The latest Constitution clearly affirms in Article 2, Chapter I: The state of the Socialist Republic of Vietnam is a state of the

people, by the people, and for the people. All state power belongs to the people, with the worker-peasant-intellectual alliance serving as its base." The people exercise their mastery through the state, organize their state, and delegate to it the power of social management. For this reason, to enhance the people's role as masters, first of all it is necessary to raise the state's management efficiency. To this end, the Constitution has laid down stipulations aimed at building a rule-of-law state that is organized and managed according to the principle of democratic centralism. The state is to be fully developed as a rule-of-law state in all the three domains of legislative, executive, and judiciary. We do not accept the separation and division of powers and advocate the unification and concentration of the highest power in the National Assembly. But we stand for a distinct division of duties and a clear determination of the relationship among the three powers. The new Constitution has strengthened and perfected the SRV state and enhanced the state's management efficiency in all fields, especially the political and economic fields.

A great victory resulting from the passage of the 1992 Constitution is that the state apparatus will be reformed one step further on the basis of the new charter.

We all know that, to raise the state's management efficiency and to enable the state to meet all the requirements of the renovation process, it is imperative that we reform the state apparatus. This is an objective requirement of the cause of national construction and defense at this juncture.

The Constitution is the most important legal basis for reforming the state apparatus. It enables the superstructure to bring into full play its role as a promoter of infrastructure development, political stability, firm maintenance of order and discipline, and social justice. The new Constitution provides a clearer definition of the concentration of the highest power in the National Assembly and a more distinct division of duties and responsibilities among the government agencies, the Supreme People's Court, and the Supreme People's Organ of Control to enable each agency to perform its functions efficiently, thereby creating an aggregate strength of state power and overcoming the overlapping of the three powers that has weakened the centralized authority. An special feature of this further reform of the state apparatus is that it is aimed at raising the efficiency of state agencies, realizing democracy, strengthening legislation, and improving the legal system step by step. Operations of local administrative organs must be organized in accordance with the principle of unified state power, thereby ensuring the development of a unified, well-regulated, and highly efficient system of state administration, bringing into full play the role of the Vietnam Fatherland Front [VFF], and strengthening the relationship between the state on the one side and the VFF and other mass organizations on the side.

Citizens' basic rights and duties show the nature of the SRV state. "In the SRV, all human rights in the political, civil, economic, cultural, and social are respected and embodied in citizens' rights to be determined by the Constitution and law." The Constitution clearly determines the relations between rights and duties. "The state

guarantees all citizens' rights; citizens must fulfill their obligations to the state and society." Vietnamese citizens, in their capacity as the masters of an independent and sovereign country, enjoy all the fundamental rights including the rights to freely engage in business and to own means of production, capital, and other assets in business concerns or in other economic organizations—rights that were not acknowledged in the earlier Constitutions because of a lack of proper conditions. Such a complete and definitive determination of the basic rights and duties of citizens is a victory of our entire people.

Today, in an extremely complicated world situation, following the disintegration of the system of East European socialist countries and the Soviet Union, and at a time when Marxism-Leninism is being very cruelly attacked by its enemies, the fact that our Constitution has confirmed the leading role of the Communist Party of Vietnam and set the direction for the entire country to advance to socialism is a great victory. Article 4 of the Constitution clearly spells out: "The Communist Party of Vietnam, the vanguard unit of the Vietnamese working class and the faithful representative of the interests of the working class, of the laboring people, and of the entire nation, adheres to Marxism-Leninism and Ho Chi Minh thoughts and is the force that leads the state and society." In view of the current complicated situation, we can neither be indecisive nor loosen party leadership over the state and society. Other countries' experience has shown that even the slightest indecisiveness and loosening of party leadership would immediately create conditions for opposition forces to seize power, wipe out the revolutionary gains, and lead the country onto a road contrary to the people's interests. In carrying out renovation, we must clearly determine the functions and duties of the party and the state and satisfactorily settle the party-state relationship, but this effort should not be used as an excuse for lessening the role of the party's leadership over the state. The party's leadership over the state is the basic condition and an objective requirement aimed at ensuring that the state will retain its character of a people's state and will develop along the line of socialist orientation.

The Constitution has now been promulgated.

The next important step is that positive and effective measures must be adopted to introduce the new charter into life; to turn its stipulations into guidelines for the organization and action of state agencies, mass organizations, and citizens; and to create a life-style and work habit based on the Constitution and law.

Normally, the following steps are necessary for fulfilling those tasks:

—We should disseminate the Constitution to all citizens and educate them in it; arrange for all citizens to study the Constitution; print and widely distribute it among the people.

—We should organize control and supervisory activities to ensure scrupulous observance of the Constitution and laws by state agencies and the people. All the stipulations of the Constitution must be seriously

observed. All law-enforcement organs, especially inspection and judicial agencies, must serve as the activists in control and supervisory activities to promptly correct mistakes and deal with infractions.

—We must carry into effect the principle noted in Article 52 of the Constitution: "All citizens are equal before the law." This means that all people have the responsibility to understand laws and scrupulously observe them, and that they will be severely dealt with if they violate the law.

Our Constitution has confirmed the great victories of our people and clearly oriented the country's path of advance.

Comments on National Assembly's New Role

922E0163B Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 12 May 92 pp 1

[Article by Luu Tan Truong under the rubric "Forum": "A National Assembly That Fully Performs Its Legislative Function, a Rule-of-Law State That Is Strong and Efficient"]

[Text] The passage of the new Constitution by the Eighth National Assembly was major event of great significance. First of all, if we compare the 1992 Constitution of the SRV with its 1980 charter, we can see immediately that the former is not a revised version of the latter, but a new, really new Constitution in terms of theoretical thinking, national construction line, and concrete content of each important chapter and article. Particularly, the economic system prescribed in the 1980 Constitution has been changed most radically. This is a charter that has opened a new way for our country to extricate itself from its current crisis and to press on with the comprehensive renovation of society.

In my opinion, there are two key issues that need to be stressed here. *First*, on the legal basis of the new Constitution, the National Assembly should expeditiously and fully perform its legislative function. *Second*, the state must become a really strong and efficient rule-of-law state.

The Constitution is the basic law of the state. By "basic law" we mean the principal law, or the "mother" of law; and the master law or mother of law must give birth to offspring laws. In the current situation of legislation, it is earnestly hoped that the National Assembly will enact many new laws henceforth.

The most important and fundamental thing is that the 1992 Constitution has confirmed that all lawmaking functions, duties, and power belong to the National Assembly, a stipulation embodied by the setting up of the National Assembly Standing Committee, which is a standing body of the National Assembly. Moreover, members of the National Assembly Standing Committee may not be concurrently members of the government.

Another important new feature is that from now on the National Assembly will have the power to decide lawmaking and regulation-making agendas, a power previously held by the Council of State. Thus, the legislative power now fully belongs to the National Assembly.

But, is the National Assembly capable of fully performing its functions, and duties and exercising its powers?

Besides the agencies and mass organizations that have the right to submit bills to the National Assembly, National Assembly deputies are the ones entrusted with the heavy duty of lawmaking, a fact that has captured the attention of everyone. But it is gratifying that National Assembly deputies' legislative task has been made easier. Deputies no longer have to submit to the National Assembly lawmaking projects only in the form of bills but may simply make proposals on legislation. Certainly, this is a task any deputy can perform. As for lawyers of high professional standards and experience, they can serve as able specialists of the National Assembly.

It must be said here that the Judiciary Committee of the National Assembly plays the role of a regulatory and decision-making center the principal task of which is "to propose necessary measures to perfect the legal system."

A fully-developed legal system is the most cherished dream of everyone. At present, there is an irrationality well-known to all: the laws that have been promulgated are not scrupulously observed. The state apparatus is inefficient because it is cumbersome, scattered, indisciplined, and being seriously sapped by the evil of corruption. The published figure of losses caused by corruption uncovered nationwide is 1,792 billion dong. But this reflects only the cases that have been brought to light.

The 1992 Constitution has paved the way for the implementation of a major reform of the state apparatus organization. The Council of State has been replaced by the president of the state in his capacity as the head of state; and the Council of Ministers, by the prime minister. Naturally, an individual leader must rely on the collective. But the individual leader must assert himself through the performance of his functions and duties and through the exercise of his powers, and should not dissolve and disappear in the collective. The entire executive apparatus must also be quickly made lighter, more compact, more dynamic, more responsive, and more efficient.

In a word, enhancing the National Assembly's lawmaking capability along with radically reforming the state apparatus is a prerequisite for serious implementation and defense of the laws already promulgated. "All citizens are equal before the laws" and "Nobody may be considered as being ignorant of the law."

Voters Express Opinions on Candidates

922E0167D Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 31 May 92 p 1

[Article by C.T.]

[Text] On the evening of 29 May, in Street Cells 36 and 38 of Subward 5, Street Cell 44 of Subward 6, and Street Cell 54 of Subward 7 in the Third Precinct, Ho Chi Minh City, the Vietnam Fatherland Front (VFF) Committees of the subwards concerned held meetings to solicit voters' opinions on candidates nominated by Ho Chi Minh City's VFF Committee to run for election to the Ninth National

Assembly. The nominees were: Nguyen Huu Khuong, member of the Standing Committee of the Ho Chi Minh City Party Committee and director of the city's Public Security Service; Vu Tuat Viet, editor in chief of SAIGON GIAI PHONG; Chu Pham Ngoc Son, chairman of the Ho Chi Minh City Union of Scientific and Technical Associations; and Major General Tran Hai Phung, delegate from the Ho Chi Minh City War Veterans Association. After analyzing and comparing the required qualifications of National Assembly deputies with the work achievements, qualities, virtues, and past activities of the nominees, voters expressed absolute confidence (by a vote) in them. (Earlier, in the units where they worked and operated, these candidates had also won voters' high unanimity of views on their candidacy). At the meeting, voters devoted much time to discussing the complicated and difficult situation in the days ahead and stressed the important tasks of the Ninth National Assembly, namely to firmly maintain political stability, resolutely and successfully carry out renovation, and make the people prosperous and the country strong according to the socialist orientation. In Street Cell 3, Subward 5 (Candidate Nguyen Huu Khuong) and Street Cell 44, Subward 6 (Candidate Chu Pham Ngoc Son), voters candidly spoke their mind, asking the candidates, if elected, to maintain close, regular relations with the people so as to understand the thinking and aspirations of the masses, especially at the grassroots. In Street Cell 38, Subward 5 (Candidate Vu Tuat Viet), voters expressed their wishes that National Assembly deputies would resolutely carry out renovation, satisfactorily conduct the four campaigns against negativism, and pay attention to resolving pressing problems of the people at the grassroots.

Further Opinions on Candidates

922E0167B Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 27 May 92 p 1

[Article by H.M.]

[Text] On the evening of 25 May, Da Kao Subward of the First Precinct, held a meeting to make suggestions to Mr. Vien Da, an independent candidate standing for election to the Ninth National Assembly. A total of 29 representatives of voters in Mr. Vien Da's place of residence attended.

After a representative of the local administration presented the biography of Mr. Vien Da (a 53-year old level-1 teacher), most of the voters' representatives expressed the opinion that Mr. Vien Da's decision to run as an independent candidate for election to the Ninth National Assembly was in conformity with the law, but viewed against the required qualifications and duties of a National Assembly deputy, Mr. Vien Da still had many limitations.

After the voters' representatives had made comments for nearly two hours, the organizing committee held a vote, which resulted in most of the voters expressing nonconfidence in Mr. Vien Da's candidacy.

National Assembly Election Law Explained

922E0170A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 3 Jun 92 p 2

[Article by Khanh Chi "Seeking To Understand the Law on Election of National Assembly Deputies: Order of the Electoral Process and Voters' Responsibility on Election Day]

[Text] *Question: What is the date of the election? Who decided it?*

Answer: The election of National Assembly deputies will be held on the same day throughout the country. Election day must be a Sunday determined by the National Assembly Standing Committee and published 90 days before election day at the latest. Ten days before election day, election teams must regularly notify voters of the date of election, the location of polling stations, and voting time by posters, radio broadcasts, and all other means of communication in their localities. These stipulations ensure that voters will turn out in large numbers and make it convenient and easy for them to cast their ballots.

According to the Council of State's decision, the election of deputies to our Ninth National Assembly will be held on 19 July 1992. The Ninth National Assembly, to be elected by the people soon, will be a legislature in charge of implementing the new Constitution; it will be organized and will operate in accordance with the new Law on National Assembly Organization.

What are the procedures according to which the election will be held?

Answer: First of all, the election will begin at 0700 and last until 1900. However, depending on the concrete situation in each locality, election teams may decide to open the election earlier or close it later than the official time to create the most favorable conditions for voters to turn out in large numbers and to cast their ballots in convenience. However, the Law on Election of National Assembly Deputies does not permit opening the election day before 0500 and closing it after 2200.

After opening, voters will go to the polling stations to exercise their right to vote. Each voter has the right to cast only one vote and must do it in person. Voters must mark their choices on the ballots and cast them themselves. They may not to ask other people to cast their ballots for them; nor are they allowed to vote by mail. To create favorable conditions for some voters who are in particularly difficult situations to exercise their right to vote, the Law on Election of National Assembly Deputies prescribes the following solutions to such cases:

- Handicapped voters who cannot cast their ballots themselves may ask other people to help put the ballots into the ballot box.
- Voters who cannot mark their selections on the ballot themselves may ask other people to help with the marking but must put the ballots into the ballot box themselves.

- Sick, old, and handicapped voters who cannot go to the polling stations may request the election teams to bring the ballot box to their residence for them to cast their ballots. Should such a situation arise, the election teams concerned must have a secondary ballot box to be taken to voters' residences to receive their ballots.

When voters are marking their selections on their ballots, nobody is allowed to come close and look, including members of the election teams. This stipulation is aimed at ensuring voters' freedom to select their deputies. If a voter makes a mistake while marking selections on a ballot, he or she has the right to suggest that the election team concerned replace it with a new one.

During the balloting, voters and all other people must respect and abide by the regulations of the polling stations. Any act of causing disorder, sabotaging the balloting, bribing or coercing voters... will be sternly dealt with by the law.

On election day, voting must be conducted continuously. After voting time is up, if there are voters at polling stations who have not been able to cast their votes in time, election teams must allow these voters to vote before closing the balloting. On election day, if the voting is interrupted by unexpected incidents, election teams must seal the ballot box and all relevant papers and report the situation immediately to the election committees concerned and apply necessary measures at once to continue the voting.

When will the votes be counted? What makes a vote invalid?

Answer: Vote counting is a task of important significance because it accurately determines the results of an election. The Law on Election of National Assembly Deputies stipulates that vote counting must be done at the polling stations immediately after the voting ends. Before opening the ballot box, election teams must count and seal on the spot all unused votes and must invite two voters who are not candidates and who are present at the polling station to witness the vote counting. Candidates and representatives of the mass groups and organizations that nominated them have the right to witness the vote counting. Press, motion picture, television, and radio correspondents and photographers may also witness the vote counting. The minutes of the vote counting must bear the signatures of the two voters invited to witness it.

Election is an important political right enabling citizens to participate in administration building and to select worthy persons for election to the National Assembly. Therefore, when they go to the polls, every voter must make an effort to carefully study the voting procedures to avoid casting invalid votes. An invalid vote is a vote that has no legal value and is not recognized. So, casting an invalid vote is tantamount to forsaking one's own right as citizens. As stipulated in Article 48 of the Law on Election of National Assembly Deputies, the following votes will be considered invalid:

- Votes that are not made in the prescribed form and not distributed by electoral teams.

- Votes that are not stamped by electoral teams.
- Votes on which the number of candidates marked for election exceed the number of deputies an election unit may elect.
- Votes on which all names of candidates are crossed out.

Questions, Answers on Election Noted

922E0167A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 20 May 92 p 2

[Unattributed article: "Questions and Answers on the Ninth National Assembly Election Scheduled for 19 July 1992"]

[Text] 1. *Question: What are the important tasks of the Ninth National Assembly?*

Answers: Basing themselves on the Constitution and the Law on Election of National Assembly Deputies, the Council of State has decided to hold the election of deputies to the Ninth National Assembly on Sunday, 19 July.

The National Assembly is the highest representative body of the people and the highest organ of state power of the SRV. The National Assembly has the following important key tasks:

First, to draw up and amend the Constitution and make and amend laws.

Second, to decide on the fundamental domestic and foreign policies and the socioeconomic development tasks of the country.

Third, to elect and dismiss key members of the management apparatus of the entire country such as the president of the state, the chairman of the National Assembly, the prime minister of the government, the chief justice of the Supreme People's Court, the chief procurator of the Supreme People's Organ of Control, and other high-ranking officials.

And fourth, to exercise supreme supervision over all operations of the state.

If we have a National Assembly that is loyal to the people's interests and the socialist regime and that has intellectual capability and a high sense of responsibility, we can firmly defend the country and advance it in all respects, and guarantee the interests and obligations of all citizens.

Thus, the National Assembly plays a very important role vis-a-vis the country's fate and everyone's interests.

2. *Question: What are the requirements of the forthcoming election of National Assembly deputies?*

Answer: The general requirement is that this election of National Assembly deputies be conducted in a really democratic fashion and in strict accordance with the law. Specifically, it is required that:

—People who fully meet all standards of virtue and talent and are held in high esteem by the people be selected as National Assembly deputies.

- The National Assembly reflect the intellect of the bloc of all-people unity.
- Public order and security and safety be ensured before, during, and after the election.

3. *Question: What qualifications do National Assembly deputies need?*

Answer: National Assembly deputies are those who represent the people's will and aspirations. They stand for not only the people in their localities but also the people throughout the country and exercise state power in the National Assembly in behalf of the people in the entire country.

To fulfill this lofty task, National Assembly deputies must have all the following qualifications:

1. Being absolutely loyal to the socialist Vietnamese fatherland.
2. Actively striving to carry out renovation and make the people prosperous and the country strong.
3. Having good knowledge and the capability to perform their duties and to participate in deciding the country's important issues.
4. Having good qualities and virtues and being exemplary in observing the law and trusted by the people.

4. *Question: Of what forces are the National Assembly membership made up?*

Answer: The National Assembly membership must include deputies who are typical people and who have the necessary political quality, capability, and intellect to formulate positions, policies, and laws in the interests of the working class, the peasantry, the intelligentsia, industrialists and traders, youth forces, women, various religions and nationalities.... Serving in the National Assembly are Communist Party cadres and members as well as nonparty members who share the same will to struggle for freedom, happiness, and social justice, and to defend and build the country into a prosperous and strong one in accordance with the socialist orientation.

5. *Question: Who may vote or stand for election?*

Answer: All SRV citizens, regardless of their sex, social background, religious faith, educational level, occupation, and length of residence, if 18 years of age or more, have the right to vote, and if 21 years of age or more, have the right to stand for election to the National Assembly as stipulated by law.

People who are insane or deprived of their civic rights by the law or by the people's court are not allowed to vote and to stand for election to the National Assembly.

6. *Question: In accordance with what principle will the election of National Assembly deputies be held?*

Answer: The election of National Assembly deputies will be held according to the principle of universal, direct, and secret ballot. Each voter may register his name on the voters list in his place of residence only and has the right to cast only one vote.

7. *Question: What are the total number of deputies to be elected to the National Assembly?*

Answer: The total number of deputies to be elected to the Ninth National Assembly are 395. The number of deputies are determined according to the population of the provinces and municipalities directly subordinate to the central government, but each of these localities may elect at least three deputies. Ho Chi Minh City in particular may elect 24 deputies, including seven deputies recommended by the central level to stand for election in the city.

8. *Question: In what order will the election of National Assembly deputies be conducted?*

Answer: The election of National Assembly deputies will be carried out in the following order:

First of all, organizations in charge of the election will be set up at four levels—central, provincial and municipal, electoral unit, and polling station.

Secondly, voter lists will be compiled and the goals, requirements, and methods of conducting the election will be disseminated.

The third step will be putting up one's candidacy, making nominations, and holding consultations to recommend candidates for election to the National Assembly. The Vietnam Fatherland Front [VFF] will hold consultations with representatives of its member organizations to select candidates. In addition, independent candidates will also be included in the list of candidates.

The fourth task will be organizing the balloting, which will be conducted on the same day throughout the country, that is, Sunday, 19 July.

The fifth task will be counting the votes and announcing the results of the election.

9. *Question: What must our administration and people do to ensure that the election of National Assembly deputies will achieve good results?*

Answer: Election of National Assembly deputies is a major event in our country. It is far-reaching and broad political drive among the people that will influence many aspects of the local situation and will definitely cause reverberations abroad.

The administration at all levels, relying on the VFF and various mass organizations, should mobilize the people of all strata to enthusiastically participate in the election. At the same time, they must maintain political security and social order and safety before, during, and after the election, and promptly check all sinister schemes and acts of the enemy and bad elements.

10. *Question: What are the responsibilities of voters in the election of National Assembly deputies?*

Answer: Having the honor of casting their ballots to choose worthy people for election to the National Assembly,

voters must uphold their sense of responsibility in the election. Specifically, they must:

- Actively participate in election-related meetings to have a firm grasp of the significance, requirements, and content of the various steps and procedures of this National Assembly election.
- Carefully study the candidates and attend their meetings with voters.
- On this basis, think their choice over and pick the most qualified and worthy people for election to the National Assembly; avoid going about this task perfunctorily just to get it over with.
- Stay alert against the schemes, tricks, and slanderous propaganda themes of the enemy and bad elements aimed at undermining the election, and join forces with the administration to promptly unmask and punish troublemakers.
- Vote on schedule and in accordance the voting procedures.

ECONOMIC

Japan Seeks Softer Rules for Exports to Vietnam

92SE0289B Hanoi VIETNAM INVESTMENT REVIEW in English 1-7 Jun 92 p 5

[Text] Japan will seek fewer restrictions on exports to Vietnam and Mongolia during next month's meeting of the Coordination Committee for the Multilateral Control of Export (COCOM), officials said in Tokyo Wednesday.

But the official said that during the annual meeting of the organisation in Paris early next month, Japan would oppose any softening of COCOM rules on Russia.

COCOM, which groups North Atlantic Treaty Organisation countries and Japan, was created in 1949 in Paris to control "sensitive" exports—generally those with military applications—to communist countries.

In preparation for the meeting, Japan last month sent a special mission to Mongolia, an official said.

The Nikkei weekly newspaper said that although Vietnam was more important than Mongolia to Japanese business, Tokyo was waiting for Washington's reaction during the COCOM meeting before sending a similar mission to Vietnam.

Japan is expected to explain in Paris that its opposition to a softening of COCOM rules towards Russia reflects Asian concerns that the reduction in East-West tensions has been slow to reach Asia. Japan intends to make substantial progress on a territorial dispute with Moscow over four Kuril islands before moving to soften COCOM rules on Russia, the newspaper said, citing an official with an important Japanese firm.

Joint Venture In Gold Mining With Russia Noted

92SE0291C Hanoi VIETNAM NEWS in English 11 Jun 92 p 1

[Text] Vingazoloto, a joint venture in gold mining involving the Bac Thai Ferrous Metallurgy Enterprise and the Russian Foreign Trade Union was inaugurated last Friday in the NaRi mining area in Bac Thai province, north of Hanoi.

This is the first joint venture between Vietnam and Russia in the field of mining and processing precious mineral resources. The investment capital is \$1,904,000, with a prescribed capital of \$1,604,000. The Vietnamese partner will contribute 40 percent of the prescribed capital.

In July 1991, another gold mining joint venture was started in Bong Mieu, one of the biggest gold mines in the country. The unit, known as Bogomin and with an investment of \$13.2 million, is an agreement between Vietnam and Australia.—VNS

Vo Van Kiet Seeking Malaysian Investment in Roads

92SE0291F Hanoi VIETNAM NEWS in English 13 Jun 92 p 1

[Text] Premier Vo Van Kiet has told Malaysia's Minister of Public Works Leo Moggie that the Vietnamese government would do all it could to facilitate possible Malaysian investment schemes on road and bridge construction in Vietnam.

While receiving Mr. Leo Moggie in Hanoi on Friday the premier said Vietnam would see to it that Malaysia's investment projects in infrastructure development could be carried out on time and with efficiency. He welcomed the visit of Mr. Leo Moggie and his party to seek investment possibilities in housing construction and other projects. He said the visit would usher in a new period in bilateral cooperation.

In reply, the Malaysian minister, who is leading a large delegation including 20 businessmen, said in the next 10 days his party would discuss with Vietnamese officials investment projects already proposed to the Ministry of Transport and Communications and the People's Committee of Hanoi.

He said Malaysian businesses were most interested in building roads, bridges and sea harbours.—VNS

Minister Comments on Foreign Trade Growth

92SE0289D Hanoi VIETNAM INVESTMENT REVIEW in English 1-7 Jun 92 p 17

[Article by Cong Toan]

[Text] The "Liberalising Foreign Trade—the Lessons of Experience" Conference held in Hanoi last week attracted over 50 domestic and foreign economists and managers.

Ten scientific reports and eight speeches made at the conference analysed the process of commercialisation in 19 countries through 36 trade reforms, in South Korea,

Singapore, the Philippines, Sri Lanka, Chile, Vietnam, Indonesia and Latin American countries.

"Vietnam continues to accelerate foreign trade," said Minister Le Van Triet of Commerce and Tourism in his opening speech.

In the mid-1970s, Vietnamese leaders promoted the acceleration of foreign trade activities and constant expansion of international distribution and co-operation in economic, scientific and technical areas.

But it is only since 1986 that the fundamental content of this policy could be clearly formed, with the confirmation made in the documents of the Sixth Congress of the Communist Party of Vietnam; "The task of economic stabilization and development of Vietnam depends to a great extent on the expansion and raising of the effectiveness of external economic relations."

Before 1986, the Government had a direct say in almost all export-import activities. The major factors of export-import trade, from their quantity and price to the ways of buying and selling had to be stated in plans approved by the Ministry of Trade before export permits were granted. The number of institutions authorized to perform export-import business was limited.

But in 1986, the Government cancelled the allocation of the norms of export-import plans, gave the enterprises full autonomy in business, with no control of prices over exported and imported goods, cut down the items of goods under quota management and simplified approval and permit-granting procedures. All goods are now free for export and import regulated only by taxes, except rice, still under export quota, and some other goods prohibited for export. At present there are 700 licenced export-import business units, and in the near future the figure should grow.

The Government undertakes not to have much direct involvement and transfers to indirect management by means of laws and economic policies, facilitating the environment for enterprises of all economic sectors to participate in export-import activities.

The policy on exchange rate between local and foreign currencies has been adjusted to be near to market prices; the policy on export-import taxes has become more flexible to create favourable conditions for export-import manufacturers and businessmen.

Mr Mark Sundberg, a World Bank expert, said that "thanks to the reform, even though Vietnam has lost its traditional export-import market and remains barred by the US embargo, its trade continues to rise not only in the export of rice and crude oil, but also in the enhancement of exporting industrial products and other goods."

The export turnover of Vietnam has been increasing in recent years, with a rate averaging 27 percent per year.

However, "the companies of Vietnam have met a lot of difficulty in their efforts to keep in line with world trade. The passive role of ineffective State-owned companies and the domestic tax system continue to be an impediment to

the export branch," Mr Sundberg said, further recommending "if no efforts are made by the Government to check the foregoing obstacles, Vietnam will find it hard to bring into full play its commercial potential."

The view that free trade systems accelerate economic growth and increase economic effectiveness has in recent years enjoyed wide acceptance. Many developing countries have succeeded in shifting from strictly controlled systems to relatively free ones. Almost all economists agree that liberalization of commerce may be successful, but until now "people have still understood only a little about the process a country has undergone in the shift from a strictly controlled trade system to a free trade system."

In the process of reforming its trade activity, Vietnam has some common factors of a successful shift, such as vigorous reform, a reduction in quota limitation and application of competitive exchange rates.

However, many questions have been asked about commercial reform to which no precise answers have been given by the economists. For example, what is the tempo to be applied by Vietnam to the reform programme? How can the economy be adjusted to the reform? What can be done to solve the problem of quota limitation? What is the order of the reform? Is political stability an essential condition for success or only a necessary condition? What is the price to be paid in the liberation of trade?

Professor Luu Van Dat, former head of the Institute of External Economic Relations of Vietnam and now an advisor of the Ministry of Commerce and Tourism said to VIR: "To encourage exports, it is better to proceed to cancel export permits (except the items of goods under quota)." This coincides with the viewpoint of the world's economists.

He further emphasized: "In the present condition of Vietnam, Customs cannot take control of the situation, so the granting of export permits is still very necessary. But it will take only one year until the customs control system aided by international organizations is put into operation, and the situation can be controlled."

With respect to imports, world experts also suggested the cancellation of permits and the use of taxes for regulation. Yet Dat believed this cannot be done now in Vietnam as the tax policy is not strong enough to regulate imports.

Instead of supplying quotas, the Government will give permits to some principle units to undertake export and import of essential items, and high tax rates can be used for goods which lie under import limitation.

But this is still under debate among economists and managers. As Mr Dat put it, trade protection is necessary, but "it should be reasonable and with a time limit," provided that this will not lead to passive dependence on protection measures and will raise competition between domestically made goods and imported goods.

Mr Dat viewed that the model of trade reform in South Korea has much more to be applied in Vietnam. With the funding of UNDP and ITC, the Ministry of Commerce

and Tourism is completing the Project VIE/89/024 on Commercial Law so that commerce in Vietnam can operate in line with world trade.

"Vietnam can learn and apply a lot precious experience from the successes and failures of friends, so as to solve the problems we are now facing in practice," Minister Triet said.

Official Comments on Economic Priorities

92SE0290B Hanoi VIETNAM INVESTMENT
REVIEW in English 8-14 Jun 92 p 7

[Article by Nguyen Tri Dung]

[Text] One of the key programmes of the government headed by Premier Vo Van Kiet is to strengthen the efficiency and effectiveness in handling the country's affairs. Under this guideline, a number of meetings were held last week by the cabinet to develop programmes on the renovation of the mechanism of management concerning some socio-economic sectors.

At a meeting with editors-in-chief of some major newspapers last week-end, Minister Tran Xuan Gia, head of the Government Office made known that during its plenaries on May 26, 27 and 28, the Vietnamese cabinet discussed three major issues which are both fundamental and urgent.

They included a draft law on the organization of the National Assembly, the draft law on the prospection and exploitation of oil and gas and some measures to be taken to renew the management of agricultural production.

Vietnam has a great deposit of continental shelf oil and prospects for commercial exploitation of oil are visible. Mr. Tran Xuan Gia said that under a plan, money from the export of crude oil this year will account for one fourth of the budget income, therefore, "the government plans to further develop the oil and gas industry to reach the level of a key industry of the country." But Gia added: "an urgent issue now is to have a law on the prospection and production of oil and gas." He reported that a code on this issue is "being finalized to be submitted to the coming session of the National Assembly in September or December this year."

At present, Vietnam is exploiting oil in Bach Ho oilfield, 200km off shore with onshore establishments in Vung Tau, some 75km from Ho Chi Minh City. This is a joint venture between Vietnam and the former Soviet Union. Oil was discovered in 1983 and business production began in 1986.

Over the past several years, some foreign companies have signed with Vietnam agreements on the prospection and exploitation of oil and gas. They include companies from France, the Netherlands, Italy, Britain, India, South Korea and Singapore.

Geological and seismic surveys show "encouraging results." "Some drillings are being conducted," but Gia said "both we and foreign investors see it is urgent that Vietnam soon adopts the law on oil and gas industry."

According to Mr. Gia, at last week's sessions of the cabinet "a feasibility project on the construction of a plant to collect and convey associated gas through pipe lines from Bach Ho oil field to shore was carefully considered by the government."

"Many foreign companies want to bid for the contract to build this project," stressed Gia. In his opinion, the government is now making "a final choice" of foreign partners and the formula of products—whether associated gas is used for the production of fertilizer or as materials for the production of high-quality china and glassware.

"Besides, the government is considering a project on the construction of an oil refinery with a huge capital of billions of dollars and selecting partners to take part in the bidding for contracts on the rest of oil and gas blocks at Dai Hung oil field."

Beside cabinet sessions, Premier Vo Van Kiet and his deputies, Mr. Phan Van Khai, Mr. Tran Duc Luong and Mr. Nguyen Khanh met on many occasions during the month to consider and come to decisions on outstanding issues concerning socioeconomic activities.

According to Mr. Gia, the Permanent Board of the Council of Ministers "has decided on the principles and approved a list of state-run enterprises to be shifted over to stock companies at both central and local levels, in both northern, southern and central Vietnam."

"But we have not yet carried out this en masse," said Gia. "However, it is high time for us to reconsider the management of state-run enterprises and seek for efficient controls so as to exercise the role of State ownership which is being deformed." Gia also added that the government "has decided to apply a sample model of management of state-run enterprises through a managing council."

According to Gia, cigarette production capacity is some 1,800 million packages a year. But in 1991, only 1,260 million packages had been turned out, and the procurement to the State was 600 billion dong. Many enterprises failed to fulfil or just fulfilled 50 percent of the export tax.

"The government has decided not to build more new cigarette factories but will concentrate mainly on upgrading and investing the existing ones. It is resolved to settle the problems of inefficient enterprises and develop the production of materials and by-products to replace imported ones." Not only cigarette enterprises are in arrears. According to a government report on the first phase of the plan to clear up taxes all arrears, by the end of May 1992, only 2,500 billion dong worth of have been collected.

As from June 1st, the government started the second phase which is "fiercer and more daring" because it relates to many enterprises, including State-run enterprises which have gone bankrupt and the scale of the arrears is great, estimated at 5,500 billion Vietnamese dong.

"The situation of fishing in troubled waters of some enterprises has ended," said Gia adding, "a number of enterprises which were not supposed to exist continue to

exist, and some others which have not enough conditions for establishment continue to be set up, therefore, failure or bankruptcy are inevitable."

According to Gia "rearrangement and stabilization of industrial enterprises is one of the eight key programmes of the government in the coming years."

On prices, Mr Gia announced that the index of price increase in March was 0.5 percent, in April 0.9 percent and May 1.3 percent.

Construction of New Tobacco Factories Halted

92SE0291A Hanoi VIETNAM NEWS in English
11 Jun 92 p 1

[Text] The government has decided to discourage the expansion of cigarette production by calling a halt in further expansion of the industry:

The announcement, made by the Office of the Council of Ministers, followed a recent government meeting.

"As cigarettes were not listed among the commodities for top consumption priority and the existing production capacity can already meet domestic demand, construction of new plants and the import of equipment must be stopped" said the announcement issued on May 29.

As part of the reorganisation of the trade, any small-scale cigarette enterprises which now operate at a loss and with low quality standards are to be dissolved, the announcement further said, adding that intensive re-investment is to be considered on a case by case basis regarding those major profitable plants which are to use more domestically available materials.

As far as joint ventures with foreign partners, the government sees fit to endorse such establishment provided that all products are for export only.

In a move to further discourage cigarette consumption the government would take stringent measures to impose a fixed rate of special consumption tax on all the cigarette plants without any exemption or cut. In addition, readjustment would be made regarding taxes levied on imported materials and the export of cigarettes to encourage the use of domestic materials and the export of the finished product.

The government will also work more closely with the Vietnam Union of Cigarette Manufacturers for better coordination of activities among concerned parties.—VNS

Rice Crop Expected To Yield 8.8 Million Tonnes

92SE0291D Hanoi VIETNAM NEWS in English
12 Jun 92 p 2

[Text] Farmers in the whole country are expected to harvest 8.8 million tonnes of winter-spring rice, or 2 million tonnes higher than last year's season.

The southern province alone have reaped more than 4.6 million tonnes on 1,177,210 hectares. The Mekong River

delta provinces of Dong Thap, Tien Giang, Long An and An Giang have obtained the highest productivity.

The northern provinces for their part, are a little behind in gathering the crop. So far, about 555,000 hectares have been harvested or 59 percent of the total acreage, with a higher productivity than last year. The average rice yield in the Red River delta provinces is 3.0-3.2 tonnes a hectare, and in the midland and mountain provinces, 2.6-2.8 tonnes.

Where the harvest has been completed, the summer-autumn rice farming sets in. In the southern provinces, 1,185,100 hectares have been sown or transplanted with rice seedlings. The figure for the Mekong River delta is 930,210 hectares.—VNS

Mekong Delta Needs More Rice Storage Facilities

92SE0291E Hanoi VIETNAM NEWS in English
12 Jun 92 p 2

[Text] Storage and processing has for years been a big problem in the Mekong River delta, the biggest rice producer of the country, which accounts for half of the national output.

Traditional storage methods have caused a loss of 20-25% of total output, not counting a big volume of rice turning low quality. The whole region with an annual rice output of 10 million tonnes usually sustains a loss of 2 million tonnes.

The Food Company 2 says every year the region produces some four million tonnes of commercial rice of which only a fourth is kept in storage. The state and local storehouses can store 400,000 tonnes, and the remainder is kept by local peasants in poor conditions, resulting in losses in the rainy and flood season. In the 1991 flood, the second biggest that hit the Mekong River delta since the war ended in 1975, hundreds of thousands of tonnes of rice were spoiled and swept away by rising water. In the current rainy season, hundreds of thousands of tonnes of rice produced by the major rice-growing areas in the Plain of Reeds, the western Hau River basin, and Long Xuyen quadrangle are left in the open air due to the shortage of storehouses.

With foreign assistance, those areas have built a system of silos, each with a capacity of 10,000 to 48,000 tonnes. However, it is still not large enough to contain all the rice volume of the Mekong River delta. Moreover, rice-husking mills in the region can process only half of the rice output due to their obsolete equipment.

To improve the situation, the Food Company 2 since 1990 has invested dozens of billions of dong in purchasing new equipment, upgrading old rice mills, and building three new big mills in Tra Noc (Can Tho province), Cao Lanh (Dong Thap province) and Ho Chi Minh City, with a combined capacity of 900 tonnes a day. As a result, rice quality has been improved, and the percentage of first-grade rice (with 5% broken grains) will increase from 15% at present to 40% by the year's end. It is estimated that

with a yearly growth rate of 14%, rice output in the Mekong River Delta will reach 12 million tonnes in 1993.

The increase in rice output will require more storage and husking facilities to ensure a high quality of export rice. For this purpose, the agriculture and food industry service need more investments for building new silos and rice mills in the Mekong River Delta.—VNS

Lack of Capital Forces Closure of Engineering Establishments

92SE0290A Hanoi VIETNAM INVESTMENT REVIEW in English 1-7 Jun 92 p 5

[Article by Tran Du]

[Text] The Ministry of Transport, Communication and Post has reported that many transport engineering establishments have had to reduce production, dissolve or transfer to other production lines due to lack of capital and markets or to redundant technology.

Many spare-part manufacturers and several diesel-engine repair and carriage-building factories have found themselves in the same situation.

In an interview with VIR, Vice-Minister of Transport, Communication and Post, Prof. Dr. La Ngoc Khue said "The State of Vietnam and the Ministry of Transport, Communication and Post never underestimate the part communications engineering has to play. In Vietnam, for a fairly long time, heavy industry in general and engineering in particular has seen a priority development. Heavy industry centres complete with engineering factories, motorcycle-overhauling factories, tractor stations, etc., have been built. However, in the process of shifting to the market economy and expanding international cooperations and exchanges, the engineering industrial branch must choose a correct direction for development."

A general objective of serving agricultural mechanisation will not achieve any concrete goal, Vice-Minister Khue believed. It is necessary, he said to determine the "commodity structure" of engineering and list principal products suited to the market's demands.

The Vietnamese economy is faced with the problem of building its infrastructure. In order to construct bridges, roads, airports, communication systems, there must be means of production, technology, machines, equipment, which is what engineering is supposed to provide.

"Given a correct development," Mr Khue went on, "the output of engineering, in terms of products, is nothing to compare. Some engineering units in the communication branch have turned out new products to meet the demands, such as 3,800-tonne ships, car assembly, passenger-car building ... which has attested to the actual capability and role of this branch."

However, according to Mr Khue, these changes are only a prelude. The demand for cars by the year 2000 is estimated at 1.2 million, three times what [it] is now. This is a vast market for car assembly, production and repairs.

The Hoa Binh and Mekong car-assembly joint ventures are meant for that vast market. In the short term, Mr Khue thought, the State should employ protective measures for these young factories by limiting the import of cars and suspending the issue of licences for more car-assembly factories. Managerial steps should also be taken to help the joint ventures meet requirements of quality and production costs. Apart from cars, Vietnam needs trains with a capacity of approximately 1 million tonnes, ten thousand carriages of all kinds, and 300-400 locomotives.

Tin Exports Expected To Bring \$1.5 Million

92SE0291B Hanoi VIETNAM NEWS in English 11 Jun 92 p 1

[Text] The Quang Ngai chemicals enterprise has invested 1,200 million dong in installing equipment for the production of tin and graphite for export. In the last four months, it turned out and exported nearly 100 tonnes of tin for 540,000 dollars. The enterprise has signed another contract with South Korea and Singapore for the supply of 1.5 million dollars' worth of tin this year.

The enterprise is preparing conditions for a joint venture with foreign partners to produce 2,000 tonnes of high quality graphite per year for export.—VNS

Garment Industry Grows at 78 Percent in 1991

92SE0289C Hanoi VIETNAM INVESTMENT REVIEW in English 1-7 Jun 92 p 16

[Article by Nguyen Ngoc Chinh]

[Text] Over 200 delegations from 150 foreign companies dealing in the garment business reportedly visited Vietnam in 1991 bringing the country's total garment industry turnover to VND102.1 billion, at an average growth of 78.7 percent compared to 1990 output.

1992 is the last year local manufacturers can export garments on product-pay-back basis to eastern European countries under the CMEA (Council for Mutual Economic Assistance) programs which, used to make up as much as 80 percent of the country's garment export volume.

Last year's drastic 15-50 percent decline in garment exports to "the first region" (CMEA's customers) created an unemployment threat to 25,000 workers in 15 factories in the north.

Meanwhile in the south, garment manufacturers were better able to make contact with foreign investors, particularly from the "second region" or customers from capitalist countries.

Foreign investors, especially Taiwanese, Japanese, South Korean and German, are coming to Vietnam with bit orders, usually based on CMT—cutting, making and trimming—contracts for woven and knitted garments which are often re-exported to a third market.

Local worker's workmanship, according to most garment investors, is comparable with other countries in the region because Vietnamese are quite skilful. However, local fabric should be improved to meet international standards.

Many textile factories have launched development projects in setting up garment workshops using their own fabric products to form complete production systems. For instance, Thanh Cong Textile Factory invested US\$3.7 million for the infrastructure building and procurement of machinery to meet its newly-signed US\$10 million contract of 3 million pullovers.

However, buyers usually supply their own fabric while accessories like zippers, buttons, thread, packing bags and cardboard cartons often come from local sources.

Buyers sometimes send technicians and Quality Control (QC) personnel along to train workers in special techniques involved in making sophisticated products such as jackets and coats.

According to some experts, the workmanship in the big state factories is usually more reliable than it is in the smaller, private ones where the sewing might be sub-contracted to satellite workshops, causing difficulties in the QC process.

Depending on the size of the order, strict QC standard varies from random checks of 5-6 pieces out of a 200-piece lot or 10 out of a 500-piece lot in addition to intermediate and final inspections.

Capital for buying modern machinery remains a major problem to garment factories although foreign-made industrial sewing machines and spare parts are available in the local market.

Singer, Juki, Pegasus, Kansai, Brother, to name a few, have entered into the local market with all kinds of industrial sewing machines and nearly 5,000 accessories needed for the garment business.

Singer Nikko in cooperation with Garmex Saigon and Inchcape Vietnam opened a showroom in Ho Chi Minh City while Juki-Tung Shing have infiltrated markets with shops in both Hanoi and Ho Chi Minh City.

Competitive prices and deferred modes of payment from 6-12 months are now offered to factories and workshops whereas a few years ago garment manufacturers had to send representatives abroad for the purchase of machinery.

To solve the problem of capital shortage, many factories signed contracts providing finished products as payments for the new production lines installed in advance by foreign partners.

South Korean Viva installed 160 industrial sewing machines for an enterprise in Binh Thanh District under a 10-year contract in which materials and finished products will be undertaken by the foreign partner.

Confetimax, the country's largest union of 15 garment factories, exported last year 20 million pieces of nearly 100 kinds of product and its members have so far signed contracts for up to 30 million pieces of which jackets comprise 30 percent of the export volume.

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